

**SCHOOL DISTRICT OF THE  
BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2013**

**BOARD OF EDUCATION  
BOROUGH OF TINTON FALLS  
STATE OF NEW JERSEY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2013**

**PREPARED BY  
TINTON FALLS BOARD OF EDUCATION  
BOARD SECRETARY'S OFFICE**

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## INTRODUCTORY SECTION

# THE TINTON FALLS SCHOOL DISTRICT

ADMINISTRATIVE OFFICES  
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John P. Russo  
Superintendent of Schools

Richard J. Wesler  
Director of Special Services

Tamar R. Sydney-Gens  
Business Administrator/Board Secretary

October 7, 2013

Honorable President and  
Members of the Board of Education  
Tinton Falls Schools  
County of Monmouth, New Jersey

Dear Board Members:

We are pleased to present to you the Comprehensive Annual Financial Report (CAFR) of the Tinton Falls School District (District) for the fiscal year ended June 30, 2013. This CAFR includes the District's Basic Financial Statement prepared in accordance with Governmental Accounting Standards Board Statement No. 34. The District has adopted this financial reporting model which we believe will provide all users of this document with more useful financial and statistical information. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. This report will provide the taxpayers of the Tinton Falls School District with comprehensive financial data in a format enabling them to gain an understanding of the School District's financial affairs.

The Comprehensive Annual Financial Report is presented in four sections as follows:

- The Introductory Section contains a table of contents, Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the School District;
  - The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information;
  - The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the School district, generally presented on a multi-year basis;
  - The Single Audit Section – The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit act of 1996, as amended, the U.S. Office of Management and budget circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and the State Treasury Circular Letter 04-04 OMB< "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, are included in the single audit section of this report.
1. Reporting Entity and its Services: Tinton Falls School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by GASB Statement No. 14. All funds and account groups of the District are included

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in this report. The Tinton Falls Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8, as well as a pre-school handicapped program. These include regular as well as handicapped students. The District completed the 2012-2013 fiscal year with an enrollment of 1,525 which is seven (-7) students below the previous year's ending enrollment. The following details the changes in the student enrollment of the District over the last 15 years.

## Enrollment

Fiscal Year	Student Enrollment	Percent Change
1997-1998	1,805	+3.08%
1998-1999	1,814	+4.99%
1999-2000	1,909	+5.24%
2000-2001	1,867	- 2.25%
2001-2002	1,810	- 3.15%
2002-2003	1,729	- 4.68%
2003-2004	1,761	+1.85%
2004-2005	1,610	- 8.57%
2005-2006	1,602	-0.005%
2006-2007	1,577	-0.016%
2007-2008	1,578	+0.0007%
2008-2009	1,632	+0.034%
2009-2010	1,585	- 0.028%
2010-2011	1,572	- 0.008%
2011-2012	1,565	- 0.004%
2012-2013	1,531	- 0.02 %

- Economic Condition and Outlook: The Tinton Falls area is still experiencing a period of steadiness which is expected to continue due to the economy of the country at this time. The economic conditions have been consistent with that of the country. Fort Monmouth closed completely in September, 2011. The district anticipated a small decrease in enrollment based on families who relocate due to the closure. However, there are also a number of housing developments that were approved in Tinton Falls and building has begun. The district anticipates an increase in enrollment once those homes are built and occupied. There is a concern regarding the future civilian housing proposed at Earle Naval Weapons Station which will have an impact on any school district's student enrollment and finances. Efforts continue to be made by the Board of Education to limit the exposure to the Tinton Falls School District and their taxpayers.
- Major Initiatives: As a result of a comprehensive review of educational curriculum programs, instruction and services within the district, the following initiatives have been reviewed and or expanded:

*"TOGETHER TOWARD TOMORROW"*

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The 2012-2013 budget supported a comprehensive approach to the district's educational initiatives. It supported the teaching and curriculum process while addressing the physical plant needs of each of our schools. The budget included, but was not limited to the following initiatives:

## **Maintaining our School System:**

- Continued the development and implementation of Professional Learning Communities
- Refinement of our Balanced Literacy Program
- Enhancement of the following curricular areas through the review and update of each curriculum based on the Revised 2009 Core Curriculum Content Standards: Science, Social Studies, Health/Physical Education, Technology and Mathematics
- Continued the use of Promethean Interactive White Boards and continued comprehensive training in their use
- Continued implementation of a Parent Portal to enhance communication regarding academic progress
- Enhancement of the District website to support communication with parents and the community
- 

## **Raising Standards and Expanding Opportunities:**

- Expanded the capabilities of the Middle School Media Center
- Expanded the implementation of phonics in grades K-5
- Infused the use of Greek and Latin vocabulary building in grades K-5
- Implemented new curricular in the areas of Science and Mathematics K-2

4. Internal Accounting Controls: Management of the district is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

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5. Budgetary Controls: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Annual appropriated budgets are adopted by the Board of Education for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved by the Board of Education for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line items basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2013.

6. Accounting System and Reports: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.
7. Cash Management: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
8. Risk Management: The Board carries various forms of insurance, included but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.
9. Other Information: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkotz, Cerullo & Cuva, P.A., was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996, as amended and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the general-purpose financial statements and combining the individual fund statement and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.
10. Acknowledgments: We would like to express our appreciation to the members of the Tinton Falls School District Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

*"TOGETHER TOWARD TOMORROW"*



# THE TINTON FALLS SCHOOL DISTRICT

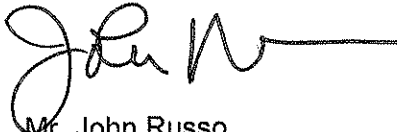
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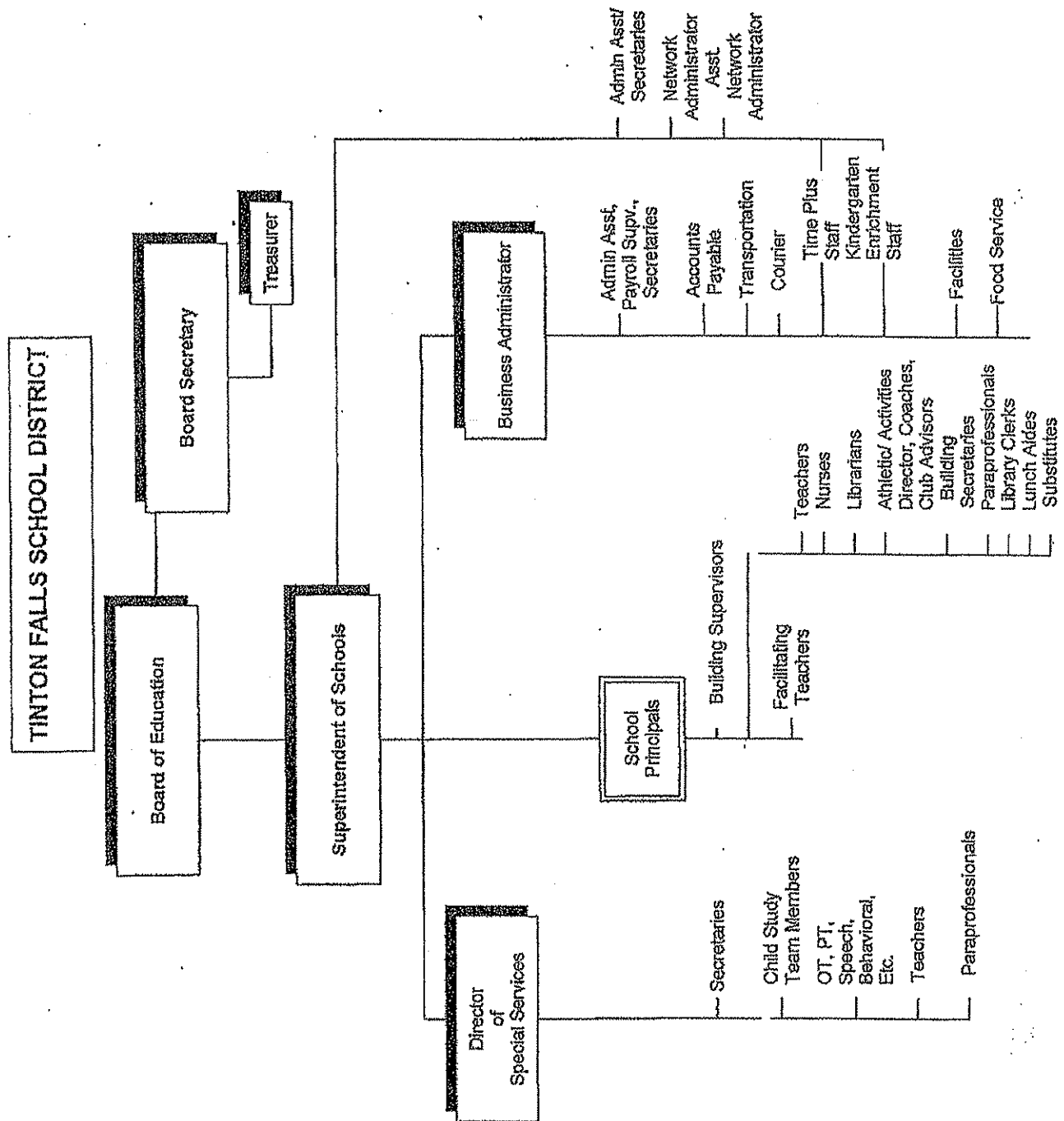
Respectfully submitted,



Mr. John Russo  
Superintendent of Schools



Mrs. Tamar R. Sydney-Gens  
Business Administrator/Board Secretary



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## ROSTER OF OFFICIALS as of June 30, 2013

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Peter Karavites, President	2014
Kenneth Hager, Vice President	2013
Nicole Alfano	2015 (Resignation effective May 24, 2013)
Susan E. Fisher	2013
Paul Ford	2015
Bill Holobowski	2013
Fred Lomangino	2013 (Appointed on June 19, 2013)
Lisa Lucas	2014
Frank Pomilla	2014
R. Chris Skurat	2015

### Other Officials:

Mr. John Russo, Superintendent of Schools

Tamar R. Sydney-Gens, Business Administrator/Board Secretary

John Paredes, Treasurer of School Monies

Martin M. Barger, Solicitor

**TINTON FALLS BOARD OF EDUCATION**

**CONSULTANTS AND ADVISORS**

**Audit Firm**

Ferraioli, Wielkott, Cerullo & Cuva, P.A.  
401 Wanaque Avenue  
Pompton Lakes, NJ 07442

**Attorney**

Martin M. Barger, Esq.

**Official Depository**

TD Bank N.A.  
New Jersey Cash Management Fund  
Bank of America

## **FINANCIAL SECTION**

# **Ferraioli, Wielkottz, Cerullo & Cuva, P.A.**

Charles J. Ferraioli, Jr., MBA, CPA, RMA  
Steven D. Wielkottz, CPA, RMA  
James J. Cerullo, CPA, RMA  
Paul J. Cuva, CPA, RMA  
Thomas M. Ferry, CPA, RMA

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## **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Borough of Tinton Falls School District  
County of Monmouth, New Jersey  
Tinton Falls, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Tinton Falls School District, in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Borough of Tinton Falls Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Tinton Falls Board of Education, in the County of Monmouth, State of New Jersey, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Tinton Falls Board of Education's basic financial statements. The other supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 and the introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplemental information listed in the table of contents and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of state financial assistance as required by NJ OMB 04-04 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information listed in the table of contents, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical data section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2013 on our consideration of the Borough of Tinton Falls Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope



Honorable President and  
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Page 4.

of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Tinton Falls Board of Education's internal control over financial reporting and compliance.



Paul J. Cuva, C.P.A.  
Licensed Public School Accountant  
No. CS00076600



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants  
Pompton Lakes, New Jersey

October 7, 2013

**REQUIRED SUPPLEMENTARY  
INFORMATION - PART I**

**BOROUGH OF TINTON FALLS SCHOOL DISTRICT  
TINTON FALLS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED**

The discussion and analysis of the Tinton Falls Board of Education's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2013. The intent of this discussion and analysis is to look at the District's financial performance as a whole and should not be interpreted as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the District's revenues and expenditures by program for the General Fund, Special Revenue Fund and Enterprise Fund.

**FINANCIAL HIGHLIGHTS**

- In total, net position increased \$2,259,803. Net position of governmental activities increased by \$2,103,017 and net position of business-type activity increased by \$156,786.
- General revenues accounted for \$26,529,813 in revenue or 88.3 percent of all governmental revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$3,509,379 or 11.7 percent of total revenues of \$30,039,192.
- The School District had \$27,067,755 in expenses related to governmental activities; only \$2,640,958 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$26,529,813 were adequate to provide for these programs.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the District as a whole (district-wide statements), and then proceed to provide an increasingly detailed look at specified financial activities.

**District-Wide Financial Statements**

The *statement of net position and statement of activities* reports information about the District as a whole and about its activities in a manner that helps answer the question, "Is the District better or worse off as a result of the year's activities?" These statements include all assets and liabilities of the District using the accrual basis of accounting, similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

Both of the district-wide financial statements distinguish functions of the Tinton Falls Board of Education that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

**BOROUGH OF TINTON FALLS SCHOOL DISTRICT  
TINTON FALLS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED (CONTINUED)**

**USING THIS ANNUAL REPORT, (continued)**

In the *Statement of Net Position and the Statement of Activities*, the District is divided into two distinct kinds of activities:

- **Governmental Activities** – All of the school district's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- **Business-type Activities** – These services are provided on a charge for goods and services basis to recover all the expenses of the goods or services provided. The Food Service, Enterprise Fund, Time + program and the Kindergarten Enrichment Program are reported as business activities.

The two statements report the District's net position and changes in them. The change in net position can be utilized by a reader to assist in determining whether the District's financial health is improving or deteriorating. However, the reader should also consider non-financial factors such as property tax base, current New Jersey laws restricting revenue growth, student enrollment growth, facility conditions, required educational programs and other factors in determining the District's overall financial health.

**Fund Financial Statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Tinton Falls Board of Education, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the district's funds can be divided into three categories: Governmental Funds, Proprietary Funds and Fiduciary Funds.

**Governmental Funds**

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of *spendable resources* available at the end of the fiscal year. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities* (reported in the Statement of Net Position and the Statement of Activities).

**BOROUGH OF TINTON FALLS SCHOOL DISTRICT  
TINTON FALLS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED (CONTINUED)**

**USING THIS ANNUAL REPORT, (continued)**

The Tinton Falls Board of Education maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the general, special revenue, capital projects and debt service funds, which are considered to be major funds.

The Tinton Falls Board of Education adopts annual appropriated budgets for its governmental funds. A budgetary comparison statement has been provided for the general fund, special revenue fund and debt service to demonstrate compliance with their budgets.

**Proprietary Funds**

Proprietary funds use the accrual basis of accounting, the same as on the government-wide statements, therefore the statements will essentially match the business-type activities portion of the government-wide statements. The Tinton Falls Board of Education uses proprietary funds to account for its food service program, Kindergarten Enrichment and the Time + program.

**Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary information for the District's major funds.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

**BOROUGH OF TINTON FALLS SCHOOL DISTRICT  
TINTON FALLS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED (CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS**

The Statement of Net Position provides the perspective of the District as a whole. Net position may, over time, serve as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

The School District's net positions were \$28,724,177 at June 30, 2013 and \$26,464,374 at June 30, 2012. Restricted net position is reported separately to show legal constraints that limit the School District's ability to use those items of net position for day-to-day operations. Our analysis below focuses on the net position for 2013 compared to 2012 (Table 1) and change in net position (Table 2) of the School District.

**Table 1**

**Net Position  
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>Assets</b>						
Current and Other Assets	15,943,804	17,823,313	1,009,998	899,549	16,953,802	18,722,862
Capital Assets	<u>26,200,681</u>	<u>24,762,843</u>	<u>8,350</u>	<u>—</u>	<u>26,209,031</u>	<u>24,762,843</u>
Total Assets	<u>42,144,485</u>	<u>42,586,156</u>	<u>1,018,348</u>	<u>899,549</u>	<u>43,162,833</u>	<u>43,485,705</u>
<b>Liabilities</b>						
Current Liabilities	4,019,243	5,298,780	74,723	112,710	4,093,966	5,411,490
Noncurrent Liabilities	<u>10,344,690</u>	<u>11,609,841</u>	<u>—</u>	<u>—</u>	<u>10,344,690</u>	<u>11,609,841</u>
Total Liabilities	<u>14,363,933</u>	<u>16,908,621</u>	<u>74,723</u>	<u>112,710</u>	<u>14,438,656</u>	<u>17,021,331</u>
<b>Net Position</b>						
Invested in Capital Assets- -						
Net of Debt	15,185,862	12,239,035	8,350	9,394	15,194,212	12,248,429
Restricted	12,508,176	13,389,529			12,508,176	13,389,529
Unrestricted	<u>86,514</u>	<u>48,971</u>	<u>935,275</u>	<u>777,445</u>	<u>1,021,789</u>	<u>826,416</u>
Total Net Position	<u>27,780,552</u>	<u>25,677,535</u>	<u>943,625</u>	<u>786,839</u>	<u>28,724,177</u>	<u>26,464,374</u>

This year, the District was able to report a balance of \$1,021,789 in its unrestricted net position, which is an increase from the previous years' balance of \$195,373.

**BOROUGH OF TINTON FALLS SCHOOL DISTRICT  
TINTON FALLS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED (CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

Table 2 below shows the changes in net position for fiscal year 2013 compared to 2012.

**Table 2  
Changes in Net Position  
Year Ended June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>Revenues</b>						
Program Revenues:						
Charges for Services and						
Sales			715,050	690,811	715,050	690,811
Operating Grants and						
Contributions	1,788,977	1,563,053	153,371	138,602	1,942,348	1,701,655
Capital Grants and						
Contributions	851,981	957,709			851,981	957,709
General Revenues:						
Taxes:						
Property taxes	20,844,568	20,635,739			20,844,568	20,635,739
Federal and State Aid						
Not Restricted	5,541,513	5,065,716			5,541,513	5,065,716
Tuition Received	58,984	93,011			58,984	93,011
Miscellaneous Income	71,136	89,999			71,136	89,999
Investment Earnings	8,160	14,410			8,160	14,410
Transfer from FEMA Grant	5,452				5,452	
Gain on Refunding Bonds	<u>          </u>	<u>54,162</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>54,162</u>
Total Revenues and Transfers	<u>29,170,771</u>	<u>28,473,799</u>	<u>868,421</u>	<u>829,413</u>	<u>30,039,192</u>	<u>29,303,212</u>

**BOROUGH OF TINTON FALLS SCHOOL DISTRICT  
TINTON FALLS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED (CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>Functions/Program</b>						
Instruction:						
Regular	7,727,613	7,657,700			7,727,613	7,657,700
Special Education	2,163,019	2,268,751			2,163,019	2,268,751
Other Special Instruction	406,369	373,591			406,369	373,591
Other Instruction	117,308	115,722			117,308	115,722
Support Services:						
Tuition	540,165	443,585			540,165	443,585
Student & Instruction						
Related Services	3,309,953	2,903,659			3,309,953	2,903,659
School Administrative						
Services	908,650	942,805			908,650	942,805
General Administrative						
Services	532,366	541,409			532,366	541,409
Central Services and						
Admin. Technology	385,938	430,472			385,938	430,472
Plant Operations and						
Maintenance	1,713,986	1,659,335			1,713,986	1,659,335
Pupil Transportation	1,542,468	1,639,865			1,542,468	1,639,865
Unallocated Benefits	6,047,880	4,993,625			6,047,880	4,993,625
Charter Schools		14,060				14,060
Capital Outlay - Non-						
Depreciable	17,762	12,942			17,762	12,942
Unallocated Depreciation	1,147,000	934,218			1,147,000	934,218
Interest on Long Term Debt	507,278	536,127			507,278	536,127
Food Service			452,665	487,597	452,665	487,597
Time+			158,016	144,880	158,016	144,880
Kindergarten Enrichment			100,954	99,501	100,954	99,501
Total Expenses and Transfers	<u>27,067,755</u>	<u>25,467,866</u>	<u>711,635</u>	<u>731,978</u>	<u>27,779,390</u>	<u>26,199,844</u>
Increase or (Decrease) in						
Net Position	<u>2,103,016</u>	<u>3,005,933</u>	<u>156,786</u>	<u>97,435</u>	<u>2,259,802</u>	<u>3,103,368</u>



**BOROUGH OF TINTON FALLS SCHOOL DISTRICT  
TINTON FALLS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED (CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

**Governmental and Business- Activities**

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$27,779,390. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$20,844,568 because some of the cost was paid by those who benefitted from the programs \$715,050, by other governments and organizations who subsidized certain programs with grants and contributions \$2,794,329, investment earnings \$8,160 and by miscellaneous sources \$5,677,085.

Revenues for the District's business-type activities (food service, time + and kindergarten enrichment programs) were comprised of charges for services and federal and state subsidy reimbursements. Significant financial results include the following:

- ✓ Revenues exceeded expenses by \$156,786.
- ✓ Charges for services provided totaled \$715,050. This represents amounts paid by consumers for charges for services.
- ✓ Federal and state reimbursement for meals served, including payments for free and reduced priced lunches, and donated commodities was \$153,371.

The following schedules present a summary of governmental fund revenues and expenditures for the fiscal year ended June 30, 2013, and the amount and percentage of increases/(decreases) relative to the prior year.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2012</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$21,074,074	72.26%	\$240,915	30.91%
State Sources	7,295,646	25.01%	494,558	63.46%
Federal Sources	<u>795,600</u>	<u>2.73%</u>	<u>43,898</u>	<u>5.63%</u>
Total	<u>\$29,165,320</u>	<u>100.00%</u>	<u>\$779,371</u>	<u>100.00%</u>

**BOROUGH OF TINTON FALLS SCHOOL DISTRICT  
TINTON FALLS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED (CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

The increase in local revenue sources can be attributed to the increase in the local tax levy and miscellaneous revenues. The increase in state revenue is a result of an increase in state aid payments to the District.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2012</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expense:				
Instruction	\$10,387,293	34.64%	\$38,075	3.79%
Undistributed	14,953,174	49.87%	1,350,734	134.60%
Charter School		0.00%	(14,060)	(1.40)%
Capital Outlay	2,763,727	9.22%	(332,177)	(33.10)%
Debt Service	<u>1,881,103</u>	<u>6.27%</u>	<u>(39,020)</u>	<u>(3.89)%</u>
Total	<u>\$29,985,297</u>	<u>100.00%</u>	<u>\$1,003,552</u>	<u>100.00%</u>

Changes in expenditures were the result of varying factors. Current expense undistributed increased due to significant increase in State On-Behalf payment for pension benefits cost increases combined with increased student special education costs.

**MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS**

The School District's budgets are prepared according to New Jersey law, and are based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted funds are the general fund, special revenue fund, and debt service fund.

During the fiscal year ended June 30, 2013, the School District amended the budgets of these major governmental funds several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- TPAF, which is the state's contribution to the pension fund and medical retirement, is neither a budgeted revenue item nor a budgeted expenditure item to the district but is required to be reflected in the financial statements.
- The special revenue fund was increased by \$506,237 for increases in federal, state and local grant revenues.

**BOROUGH OF TINTON FALLS SCHOOL DISTRICT  
TINTON FALLS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED (CONTINUED)**

**MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS,  
(continued)**

**General Fund**

The general fund actual revenue was \$25,528,942. That amount is \$2,893,049 above the final amended budget of \$22,635,893. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$2,237,560 for TPAF social security reimbursements and on-behalf pension and medical retirement payments, an excess in other state and federal aids of \$612,415, and a \$43,074 excess in local anticipated revenues.

The actual expenditures of the general fund were \$25,201,524. This is \$2,613,349 below the final amended budget of \$27,814,873. The variance between the actual expenditures and final budget was due to an unfavorable variance in non-budget on-behalf TPAF social security and pension payments of \$2,237,560, and a favorable variance of \$4,850,909 in unexpended budgeted funds.

The general fund had total revenues of \$25,528,942 and total expenditures of \$25,201,524 with an ending fund balance of \$10,940,229.

**Special Revenue Fund**

The special revenue fund actual revenue was \$895,667. That amount is above the original budget estimate of \$389,430 and equal to the final amended budget. The \$506,237 variance between the original and final budget was due to additional federal and state grant monies awarded to the District after the original budget was approved.

The actual expenditures of the special revenue fund were \$895,667, which is above the original budget of \$389,430. The \$506,237 variance between the original budget was due to additional expenditures related to the additional grants awarded to the District after the original budget was approved.

**BOROUGH OF TINTON FALLS SCHOOL DISTRICT  
TINTON FALLS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED (CONTINUED)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year 2013, the School District had \$43,576,336 invested in land, buildings and building improvements, machinery and equipment, and construction in progress. Of this amount, \$15,845,418 in depreciation has been taken over the years. We currently have a net book value of \$26,448,651. Total depreciable additions for the year were \$2,830,522, the majority of which was for various technology and office equipment and building improvements and depreciable deletions of \$2,712,083, which was transfers from construction in progress to capital assets being depreciated and asset deletions. Table 3 shows fiscal year 2013 balances compared to 2012.

**Table 3  
Capital Assets at June 30,  
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land	239,620	239,620		0	239,620	239,620
Buildings and Site Improvements	24,705,733	23,237,091		0	24,705,733	23,237,091
Furniture, Equipment and Vehicles	452,301	313,367	8,350	9,394	460,651	322,761
Construction in Progress	<u>1,042,647</u>	<u>972,765</u>			<u>1,042,647</u>	<u>972,765</u>
	<u>26,440,301</u>	<u>24,762,843</u>	<u>8,350</u>	<u>9,394</u>	<u>26,448,651</u>	<u>24,772,237</u>

**Debt Administration**

At June 30, 2013, the district had \$11,786,977 of outstanding debt. Of this amount, \$532,538 is for compensated absences; \$136,439 is for various capital leases; and \$11,118,000 of serial bonds issued for the financing of various school construction projects.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

Due to the current state of the economy in New Jersey and across the country, our economic outlook is not as bright as we would hope. This economic reality will have an impact on our ability to advance our program and educational goals. These factors will be considered in preparing the Tinton Falls Board of Education's budget for the 2013-2014 fiscal year.

**BOROUGH OF TINTON FALLS SCHOOL DISTRICT  
TINTON FALLS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED (CONTINUED)**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS, (continued)**

The following factors were considered in preparing the 2013-2014 fiscal year budget:

- Estimated student enrollment
- Sources of revenue
- Cost of negotiated salaries and benefits
- Cost of fixed charges
- Mandated programs
- Requirements for health and safety issues

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Tinton Falls Board of Education's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Tamar Sydney-Gens,  
School Business Administrator  
Tinton Falls School District  
658 Tinton Avenue  
Tinton Falls, New Jersey 07724

## **BASIC FINANCIAL STATEMENTS**

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

**Tinton Falls School District**  
**Statement of Net Assets**  
**June 30, 2013**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	7,778,092	928,077	8,706,169
Receivables, net	3,714,320	25,638	3,739,958
Internal Balances	(52,175)	52,175	-
Inventory		4,108	4,108
Restricted assets:			
Cash and cash equivalents	4,263,947		4,263,947
Capital assets:			
Land	239,620		239,620
Construction in Process	1,042,647		1,042,647
Depreciable Capital Assets	25,158,034	8,350	25,166,384
Total Assets	<u>42,144,485</u>	<u>1,018,348</u>	<u>43,162,833</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	1,014,490	30,803	1,045,293
Prepaid Taxes	35,336		35,336
Unearned revenue	1,527,130	43,920	1,571,050
Noncurrent liabilities:			
Due within one year	1,442,287		1,442,287
Due beyond one year	10,344,690		10,344,690
Total liabilities	<u>14,363,933</u>	<u>74,723</u>	<u>14,438,656</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	15,185,862	8,350	15,194,212
Restricted for:			
Debt service	54,769		54,769
Capital projects	2,582,143		2,582,143
Other Purposes	9,871,264		9,871,264
Unrestricted (Deficit)	86,514	935,275	1,021,789
Total net position	<u>27,780,552</u>	<u>943,625</u>	<u>28,724,177</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.



Tinton Falls School District  
Statement of Activities  
For the Year Ended June 30, 2013

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
	Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:								
Instruction:								
Regular	7,700,597	27,016		694,763		(7,032,850)		(7,032,850)
Special education	2,163,019					(2,163,019)		(2,163,019)
Other special instruction	406,369					(406,369)		(406,369)
Other instruction	117,308					(117,308)		(117,308)
Support services:								
Tuition	540,165					(540,165)		(540,165)
Student & instruction related services	3,309,953			200,904		(3,109,049)		(3,109,049)
General administrative services	512,028	20,338				(532,366)		(532,366)
School administrative services	908,650					(908,650)		(908,650)
Central Services and Administrative Technology	385,938					(385,938)		(385,938)
Plant operations and maintenance	1,703,394	10,592		843,928		(1,713,986)		(1,713,986)
Pupil transportation	1,542,468					(698,540)		(698,540)
Employee Benefits	6,047,880					(6,047,880)		(6,047,880)
Capital outlay-undepreciable	17,762				851,981	834,219		834,219
Charter Schools								
Interest on long-term debt	507,278			49,382		(457,896)		(457,896)
Unallocated depreciation	1,147,000					(1,147,000)		(1,147,000)
Total governmental activities	27,009,809	57,946	-	1,788,977	851,981	(24,426,797)	-	(24,426,797)
Business-type activities:								
Food Service	452,665		309,023	153,371			9,729	9,729
Time +	158,016		243,012				84,996	84,996
Kindergarten Enrichment Program	100,954		163,015				62,061	62,061
Total business-type activities	711,635	-	715,050	153,371	-		156,786	156,786
Total primary government	27,721,444	57,946	715,050	1,942,348	851,981	(24,426,797)	156,786	(24,270,010)
General revenues:								
Property Taxes Levied for:								
General Purposes						19,016,660		19,016,660
Debt Service						1,827,908		1,827,908
Federal and State aid not restricted						5,541,513		5,541,513
Miscellaneous Income						138,281		138,281
Transfer from FEMA Grant						5,452		5,452
Total general revenues, special items, extraordinary items and transfers						26,529,814	-	26,529,814
Change in Net Position						2,103,017	156,786	2,259,803
Net Position—beginning						25,677,535	786,839	26,464,374
Net Position—ending						27,780,552	943,625	28,724,177

The accompanying Notes to the Financial Statements are an integral part of this statement.

## **FUND FINANCIAL STATEMENTS**

Tinton Falls School District  
Balance Sheet  
Governmental Funds  
June 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	7,718,299			59,793	7,778,092
Receivables from Other Governments	555,263	203,886	2,944,328		3,703,477
Tuitions Receivable	10,843				10,843
Interfund Accounts Receivable	63,360				63,360
Restricted Cash and Cash Equivalents	3,247,762		1,016,185		4,263,947
Total Assets	<u>11,595,527</u>	<u>203,886</u>	<u>3,960,513</u>	<u>59,793</u>	<u>15,819,719</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	844,077	47,953			892,030
Prepaid Taxes	35,336				35,336
Interfund Accounts Payable	52,175	63,360			115,535
Unearned Revenue	51,163	92,573	1,378,370	5,024	1,527,130
Total Liabilities	<u>982,751</u>	<u>203,886</u>	<u>1,378,370</u>	<u>5,024</u>	<u>2,570,031</u>
Fund Balances:					
Restricted for:					
Excess Surplus -- current year	2,120,264				2,120,264
Excess Surplus - prior year -designated for subsequent year's expenditures	1,447,846				1,447,846
Emergency Reserve	250,000				250,000
Maintenance Reserve	1,833,362				1,833,362
Capital Reserve	1,164,400				1,164,400
Assigned to:					
Other purposes	1,811,824				1,811,824
Debt Service				54,769	54,769
Designated by the BOE for subsequent year's expenditures	1,243,568				1,243,568
Capital Projects			2,582,143		2,582,143
Unassigned:					
General Fund	741,512				741,512
Total Fund Balances	<u>10,612,776</u>		<u>2,582,143</u>	<u>54,769</u>	<u>13,249,688</u>
Total Liabilities and Fund Balances	<u>11,595,527</u>	<u>203,886</u>	<u>3,960,513</u>	<u>59,793</u>	

Amounts reported for *governmental activities* in the statement of net assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$42,262,753 and the accumulated depreciation is \$15,822,452.	26,440,301
Interest on Long-term debt accrued	(122,460)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 6)	(11,786,977)
Net position of governmental activities	<u>27,780,552</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Tinton Falls School District**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2013**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	19,016,660			1,827,908	20,844,568
Miscellaneous	133,074	91,225	5,207		229,506
Total - Local Sources	19,149,734	91,225	5,207	1,827,908	21,074,074
State Sources	6,290,029	104,254	851,981	49,382	7,295,646
Federal Sources	95,412	700,188			795,600
Total Revenues	25,535,175	895,667	857,188	1,877,290	29,165,320
<b>EXPENDITURES</b>					
Current:					
Regular Instruction	7,005,834	694,763			7,700,597
Special Education Instruction	2,163,019				2,163,019
Other Special Instruction	406,369				406,369
Other Instruction	117,308				117,308
Support Services and Undistributed Costs:					
Tuition	540,165				540,165
Student & Instruction Related Services	3,109,049	200,904			3,309,953
General Administrative Services	512,028				512,028
School Administrative Services	908,650				908,650
Central Services and Administrative Technology	385,938				385,938
Plant Operations and Maintenance	1,749,202				1,749,202
Pupil Transportation	1,542,468				1,542,468
Employee Benefits	6,004,770				6,004,770
Debt Service:					
Principal				1,360,000	1,360,000
Interest and Other Charges				521,103	521,103
Capital Outlay	756,724	-	2,143,442		2,900,166
Total Expenditures	25,201,524	895,667	2,143,442	1,881,103	30,121,736
Excess (Deficiency) of Revenues					
Over Expenditures	333,651	-	(1,286,254)	(3,813)	(956,416)
<b>OTHER FINANCING SOURCES (USES)</b>					
Capital Leases (non-budgeted)	136,439				136,439
Transfers in	5,452			5,207	10,659
Transfers out			(5,207)		(5,207)
Total other financing sources and uses	141,891	-	(5,207)	5,207	141,891
<b>SPECIAL ITEM</b>					
Payment to refunding escrow	-	-		-	-
Net Change in Fund Balances	475,542	-	(1,291,461)	1,394	(814,525)
Fund Balance—July 1	10,137,234		3,873,604	53,375	14,064,213
Fund Balance—June 30	10,612,776	-	2,582,143	54,769	13,249,688

The accompanying Notes to the Financial Statements are an integral part of this statement.

Tinton Falls School District  
 Reconciliation of the Statement of Revenues, Expenditures,  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Year Ended June 30, 2013

Total net change in fund balances - governmental funds (from B-2)	(814,525)
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Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation expense	(1,204,946)
Depreciable Capital outlays	2,882,403

Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

In the current year, these amounts consist of:

Principal Payments	1,360,000
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Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Increase in compensated absences payable	(43,110)
Increase in Capital Leases	(90,631)

In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due.

The change in accrued interest is an addition in the reconciliation.

Accrued interest - current year	(122,460)
Accrued interest - prior year	136,286

Change in net assets of governmental activities

	2,103,017
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The accompanying Notes to the Financial Statements are an integral part of this statement.

**Tinton Falls School District**  
**Combining Statement of Net Position**  
**Enterprise Funds**  
**June 30, 2013**

	<b>Food Service Program</b>	<b>Time + Program</b>	<b>Kindergarten Enrichment Program</b>	<b>Totals</b>
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	73,264	402,766	452,047	928,077
Accounts Receivable:				
State	946			946
Federal	24,692			24,692
Other				-
Interfund-Accounts Receivable	52,175			52,175
Inventory	4,108			4,108
Total Current Assets	<u>155,185</u>	<u>402,766</u>	<u>452,047</u>	<u>1,009,998</u>
Noncurrent Assets:				
Capital Assets:				
Equipment	31,316			31,316
Less Accumulated Depreciation	(22,966)			(22,966)
Total Capital Assets (Net of Accumulated Depreciation)	<u>8,350</u>	<u>-</u>	<u>-</u>	<u>8,350</u>
Total Assets	<u><u>163,535</u></u>	<u><u>402,766</u></u>	<u><u>452,047</u></u>	<u><u>1,018,348</u></u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	30,243		560	30,803
Deferred Revenue	7,595		36,325	43,920
Interfunds Payable				-
Total Current Liabilities	<u>37,838</u>	<u>-</u>	<u>36,885</u>	<u>74,723</u>
Noncurrent Liabilities:				
Compensated Absences				-
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u><u>37,838</u></u>	<u><u>-</u></u>	<u><u>36,885</u></u>	<u><u>74,723</u></u>
<b>NET POSITION</b>				
Invested in Capital Assets Net of Related Debt	8,350			8,350
Unrestricted	117,347	402,766	415,162	935,275
Total Net Position	<u><u>125,697</u></u>	<u><u>402,766</u></u>	<u><u>415,162</u></u>	<u><u>943,625</u></u>

Tinton Falls School District  
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position  
Enterprise Funds  
For the Year Ended June 30, 2013

	Food Service Program	Time + Program	Kindergarten Enrichment Program	Totals
Operating Revenues:				
Charges for Services:				
Daily Sales - Reimbursable Programs	181,580			181,580
Daily Sales - Non-Reimbursable Programs	106,974			106,974
Special Functions				-
Total Operating Revenues	<u>309,023</u>	<u>243,012</u>	<u>163,015</u>	<u>715,050</u>
Operating Expenses:				
Cost of Sales	215,260			215,260
Labor	177,034	128,649	80,069	385,752
Supplies and Materials	34,531	2,946	3,367	40,844
Employee Benefits	10,795	24,231	14,068	49,094
Miscellaneous Expense	14,001	2,190	3,450	19,641
Depreciation	1,044			1,044
Total Operating Expenses	<u>452,665</u>	<u>158,016</u>	<u>100,954</u>	<u>711,635</u>
Operating Income (Loss)	<u>(143,642)</u>	<u>84,996</u>	<u>62,061</u>	<u>3,415</u>
Non-operating Revenues (Expenses):				
State Sources:				
State School Lunch Program	4,712			4,712
Federal Sources:				
National School Lunch Program	122,355			122,355
Food Distribution Program	26,304			26,304
Total Non-operating Revenues (Expenses)	<u>153,371</u>	<u>-</u>	<u>-</u>	<u>153,371</u>
Income (Loss) Before Contributions & Transfers	<u>9,729</u>	<u>84,996</u>	<u>62,061</u>	<u>156,786</u>
Transfers In (Out)				
Change in Net Assets	<u>9,729</u>	<u>84,996</u>	<u>62,061</u>	<u>156,786</u>
Total Net Position - Beginning	<u>115,968</u>	<u>317,770</u>	<u>353,101</u>	<u>786,839</u>
Total Net Position—Ending	<u><u>125,697</u></u>	<u><u>402,766</u></u>	<u><u>415,162</u></u>	<u><u>943,625</u></u>

Tinton Falls School District  
Combining Statement of Cash Flows  
Enterprise Funds  
For the Year Ended June 30, 2013

	Food Service Program	Time + Program	Kindergarten Enrichment Program	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Customers	309,031	243,012	166,840	718,883
Payments to employees		(152,880)	(93,577)	(246,457)
Payments for Miscellaneous Expenses	(14,001)	(5,136)	(6,817)	(25,954)
Payments to Food Service Management Company	(477,751)			(477,751)
Net Cash Provided by (Used for) Operating Activities	(182,721)	84,996	66,446	(31,279)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
State Sources	3,986			3,986
Federal Sources	129,493			129,493
Local Sources	(31,025)			(31,025)
Net Cash Provided by (Used for) Non-Capital Financing Activities	102,454	-	-	102,454
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of Capital Assets				-
Net Cash Provided by (Used for) Capital Related Financing Activities	-	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	(80,267)	84,996	66,446	71,175
Balances—Beginning of Year	153,531	317,770	385,601	856,902
Balances—End of Year	73,264	402,766	452,047	928,077
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>				
Operating Income (Loss)	(143,642)	84,996	62,061	3,415
Adjustments to reconcile operating income (loss) to net cash provided by				
Depreciation	1,044			1,044
Increase (Decrease) in Deferred Revenue	8		3,825	3,833
(Increase) Decrease in Inventory	2,249			2,249
Increase (Decrease) in Accounts Payable	(42,380)		560	(41,820)
Increase (decrease) in other current liabilities				-
Total Adjustments	(39,079)	-	4,385	(34,694)
Net Cash Provided by (Used for) Operating Activities	(182,721)	84,996	66,446	(31,279)

The accompanying Notes to the Financial Statements are an integral part of this statement.



**Tinton Falls School District  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2013**

	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	48,523
Total Assets	<u>48,523</u>
<b>LIABILITIES</b>	
Payable to student groups	42,460
Payroll deductions and withholdings	<u>6,063</u>
Total Liabilities	<u>48,523</u>
<b>NET POSITION</b>	<u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

## **NOTES TO THE FINANCIAL STATEMENTS**

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY:**

The Board of Education of the Borough of Tinton Falls ("Board") School District (the "District") is an instrumentality of the State of New Jersey, established to function as an educational institution. The Borough of Tinton Falls School District is a Type II district located in the County of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K-8. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the Board holds the corporate powers of the organization
- the Board appoints a voting majority of the organization's board
- the Board is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Board
- there is a fiscal dependency by the organization on the Board

Based on the aforementioned criteria, the Board has no component units. Furthermore, the Board is not includable in any other reporting entity on the basis of such criteria.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The financial statements of the Board have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the board's accounting policies are described below.

**A. Basis of Presentation:**

The Board's basic financial statements consist of District-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**District-wide Financial Statements:**

The statement of net position and the statement of activities display information about the Board as a whole. These statements include the financial activities of the overall District, except for the fiduciary funds. The statements distinguish between those activities of the Board that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the Board at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the governmental activities and for the business-type activities of the Board. Direct expenses are those that are specifically associated with a service, program or function and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues, including all taxes, are presented as general revenues of the Board, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Board.

**Fund Financial Statements:**

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *governmental*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models. The various funds of the Board are grouped into the categories governmental, proprietary and fiduciary.

**GOVERNMENTAL FUNDS**

Governmental funds are those through which most governmental functions of the Board are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Board's governmental funds:

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**GOVERNMENTAL FUNDS, (continued)**

**General Fund** - The General Fund is the general operating fund of the Board. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the Board includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

**Capital Projects Fund** - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from sale of bonds, lease purchases and other revenues.

**Debt Service Fund** - The debt service fund is used to account for the accumulation of resources for and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

**PROPRIETARY FUNDS**

The focus of Proprietary Fund measurement is upon determination of net income, changes in net position, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal service; the Board has no internal service funds. The following is a description of the Proprietary Funds of the Board:

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**PROPRIETARY FUNDS, (continued)**

**Enterprise Funds** - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the Board is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the Board has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Board's Enterprise Funds are comprised of the Food Service Fund, the Kindergarten Enrichment Program and the Time Plus Program.

**FIDUCIARY FUNDS**

**Fiduciary Fund** - Fiduciary Fund reporting focuses on net position and changes in net position.

**Trust and Agency Funds** - The Trust and Agency Funds are used to account for assets held by the Board in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

**Agency Funds** - Agency funds are used to account for the assets that the Board holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

**B. Measurement Focus:**

**District-wide Financial Statements**

The District-wide statements (i.e., the statement of net position and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net position, except for fiduciary funds.

**Fund Financial Statements**

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the District-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**B. Measurement Focus: (continued)**

**Fund Financial Statements, (continued)**

Like the District-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its proprietary activities.

**C. Basis of Accounting:**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-wide financial statements and the financial statements of the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

**Revenues - Exchange and Non-exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: ad valorem property taxes, tuition, unrestricted grants and interest.

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**C. Basis of Accounting: (continued)**

**Expenses/Expenditures**

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement of focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

**D. Budgets/Budgetary Control:**

Annual appropriated budgets are adopted in the spring of the preceding year for the general, special revenue funds and debt service funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2(G)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. During 2012/2013, the Board did not increase the original budget.

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.



**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**E. Encumbrances:**

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the Board has received advances, are reflected in the balance sheet as unearned revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

**F. Cash, Cash Equivalents and Investments:**

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the Board has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**G. Tuition Revenues/Receivable:**

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

**H. Inventories:**

On District-wide financial statements, inventories are presented at cost, which approximates market on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

**I. Prepaid Items:**

Payments made to vendors for services that will benefit periods beyond June 30, 2013, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

**J. Short-Term Interfund Receivables/Payables:**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

**K. Capital Assets:**

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district -wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the District-wide statement of net position and in the fund.

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed prior to June 30, 2013 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board currently maintains a capitalization threshold of \$2,000.00. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value fo the asset or materially extend an asset's life are not.

**Borough of Tinton Falls School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2013**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**K. Capital Assets: (continued)**

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activity Estimated Lives</u>
Sites and Improvements	20 years	N/A
Buildings and Improvements	7-50 years	N/A
Furniture, Equipment and Vehicles	5-20 years	5-20 years

**L. Compensated Absences:**

Compensated absences are those absences for which employees will be paid, such as accumulated vacation and sick leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Board and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Board and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

**M. Unearned Revenue:**

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Unearned revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 2(E) regarding the special revenue fund.

**N. Accrued Liabilities and Long-term Obligations:**

All payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements.

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**N. Accrued Liabilities and Long-term Obligations: (continued)**

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, long-term obligations, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

**O. Fund Balances:**

Fund balance is divided into five classifications based primarily on the extent to which the Board is bound to observe constraints imposed upon the resources in the governmental funds. The classifications are as follows:

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.
- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**P. Net Position:**

Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**Q. Operating Revenues and Expenses:**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

**R. Extraordinary and Special Items:**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

**S. Allocation of Indirect Expenses:**

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities as unallocated depreciation. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**T. Use of Estimates:**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**U. Allowance for Uncollectible Accounts:**

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

**V. Recent Accounting Pronouncements:**

In August 2011, the Governmental Accounting Standards Board (GASB) issued Statement No. 65 "Items Previously Reported as Assets and Liabilities". This statement, which is effective for fiscal periods beginning after December 15, 2012, is not anticipated to have any effect on the District's financial reporting.

In October 2011, the Governmental Accounting Standards Board (GASB) issued Statement No. 66 "Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62". This statement, which is effective for fiscal periods beginning after December 15, 2012, amends and supersedes previously issued GASB statements to incorporate guidance that had been included in AICPA and FASB guidance. The statement will have a minimum, but undetermined impact on the proprietary fund financial statements of the District.

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 67, "Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25". This statement, which is effective for fiscal periods beginning after June 15, 2013, is not anticipated to have any impact on the District's financial reporting.

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, is not anticipated to have any impact on the District's financial reporting.

In January 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 69, "Government Combinations and Disposals of Government Operations". This statement, which is effective for years beginning after December 15, 2013, is not expected to have any impact on the District's financial reporting.

In April 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees". This statement, which is effective for fiscal years beginning after June 15, 2013, is not expected to have any impact on the District's financial reporting.

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS:**

**Cash**

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2013, \$0- of the District's bank balance of \$13,433,682 was exposed to custodial credit risk.

**Investments**

**Investment Rate Risk**

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

**Credit Risk**

New Jersey Statutes 18A:20-37 limits school district investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America, bonds or other obligations of the school districts or bonds or other obligations of the local unit or units within which the school district is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**Concentration of Credit Risk**

The District places no limit on the amount the District may invest in any one issuer.

New Jersey Cash Management Fund - All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

As of June 30, 2013, the District had \$2,910,945.87 on deposit with the New Jersey Cash Management Fund.

**Borough of Tinton Falls School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2013**

**NOTE 4. RECEIVABLES:**

Receivables at June 30, 2013, consisted of accounts receivable and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Enterprise Fund	District Wide Financial Statements
State Aid	\$3,499,591	\$946	\$3,500,537
Federal Aid	193,890	24,692	218,582
Tuition	10,843		10,843
Interfunds	63,360		63,360
Other	<u>9,996</u>		<u>9,996</u>
Gross receivables	3,777,680	25,638	3,803,318
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$3,777,680</u>	<u>\$25,638</u>	<u>\$3,803,318</u>

**NOTE 5. CAPITAL ASSETS:**

Capital asset activity for the fiscal year ended June 30, 2013 was as follows:

	Balance 6/30/12	Additions	Deductions	Balance 6/30/13
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated				
Land	\$239,620	\$	\$	\$239,620
Construction in Progress	<u>972,765</u>	<u>2,763,965</u>	<u>2,694,083</u>	<u>1,042,647</u>
Total Capital Assets, Not Being Depreciated	<u>1,212,385</u>	<u>2,763,965</u>	<u>2,694,083</u>	<u>1,282,267</u>
Capital Assets Being Depreciated				
Sites and Improvements	2,128,842	2,019	7,500	2,123,361
Buildings and Improvements	34,165,265	2,598,482	18,000	36,745,747
Furniture, Equipment and Vehicles	<u>1,881,357</u>	<u>230,021</u>		<u>2,111,378</u>
Total Capital Assets, Being Depreciated	<u>38,175,464</u>	<u>2,830,522</u>	<u>25,500</u>	<u>40,980,486</u>
Less Accumulated Depreciation:				
Sites and Improvements	(1,382,980)	(70,230)	7,500	(1,445,710)
Buildings and Improvements	(11,674,036)	(1,043,629)		(12,717,665)
Furniture, Equipment and Vehicles	<u>(1,567,990)</u>	<u>(91,087)</u>		<u>(1,659,077)</u>
Total Accumulated Depreciation	<u>(14,625,006)</u>	<u>(1,204,946)</u>	<u>7,500</u>	<u>(15,822,452)</u>
Total Capital Assets, Being Depreciated, Net	<u>23,550,458</u>	<u>1,625,576</u>	<u>18,000</u>	<u>25,158,034</u>
Governmental Activities Capital Assets, Net	<u>\$24,762,843</u>	<u>\$4,389,541</u>	<u>\$2,712,083</u>	<u>\$26,440,301</u>



**Borough of Tinton Falls School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2013**

**NOTE 5. CAPITAL ASSETS: (continued)**

	<u>Balance</u> <u>6/30/12</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/13</u>
<b>Business-Type Activity</b>				
Machinery and Equipment	<u>\$31,316</u>	<u>\$</u>	<u>\$</u>	<u>\$31,316</u>
Totals	<u>31,316</u>	<u>0</u>		<u>31,316</u>
Less Accumulated Depreciation				
Machinery and Equipment	<u>(21,921)</u>	<u>(1,045)</u>		<u>(22,966)</u>
Total Accumulated Depreciation	<u>(21,921)</u>	<u>(1,045)</u>		<u>(22,966)</u>
Business-Type Activity Capital Assets, Net	<u>\$9,395</u>	<u>(\$1,045)</u>	<u>\$</u>	<u>\$8,350</u>

Depreciation expense was charged to the functions as follows:

Instruction - Regular	\$27,016
Support Services - Administration	20,338
Plant Operations and Maintenance	10,592
Unallocated Depreciation	<u>1,147,000</u>
Total Depreciation Expense	<u>\$1,204,946</u>

**NOTE 6. LONG-TERM DEBT OBLIGATIONS:**

For the fiscal year ended June 30, 2013 the following liabilities are reported in the general long-term debt account group:

	<u>Balance</u> <u>June 30, 2012</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>June 30, 2013</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Compensated absences payable	\$489,428	\$120,246	\$77,136	\$532,538	\$
Bonds payable	12,478,000		1,360,000	11,118,000	1,415,000
Capital leases payable	<u>45,808</u>	<u>136,439</u>	<u>45,808</u>	<u>136,439</u>	<u>27,287</u>
	<u>\$13,013,236</u>	<u>\$256,685</u>	<u>\$1,482,944</u>	<u>\$11,786,977</u>	<u>\$1,442,287</u>

**Borough of Tinton Falls School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2013**

**NOTE 6. LONG-TERM DEBT OBLIGATIONS: (continued)**

**A. Bonds Payable:**

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

Principal and interest due on serial bonds outstanding is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$1,415,000	\$455,702	\$1,870,702
2015	1,675,000	387,703	2,062,703
2016	1,710,000	309,402	2,019,402
2017	1,305,000	240,428	1,545,428
2018	460,000	203,227	663,227
2019	475,000	184,328	659,328
2020	490,000	164,777	654,777
2021	495,000	144,128	639,128
2022	505,000	123,315	628,315
2023	245,000	106,302	351,302
2024	255,000	96,503	351,503
2025	265,000	86,302	351,302
2026	275,000	75,703	350,703
2027	285,000	64,702	349,702
2028	300,000	53,303	353,303
2029	310,000	40,927	350,927
2030	325,000	27,753	352,753
2031	<u>328,000</u>	<u>13,940</u>	<u>341,940</u>
Total	<u>\$11,118,000</u>	<u>\$2,778,445</u>	<u>\$13,896,445</u>

**Advanced Refunding of Debt**

On July 7, 2011 the District issued \$2,150,000 in School District Refunding Bonds having an interest rate of 3.00% to 5.00%. These Bonds were issued in order to advance refund certain principal maturities of school district bonds. The total bond principal defeased was \$2,908,000. The net proceeds of \$2,301,878 together with an initial cash deposit from the District's Capital Project Fund in the amount of \$743,834 (after payment of underwriting fees, insurance and other insurance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments. As a result, the advance refunding met the requirements of an in-substance debt defeasance and the refunded bond liability has been removed from the governmental activities column of the statement of net position. This advance refunding was undertaken to reduce total debt service payments over the next 10 years by \$252,992 and resulted in a present value gain of \$171,001.

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 6. LONG-TERM DEBT OBLIGATIONS: (continued)**

**B. Capital Leases Payable:**

The District is leasing transportation equipment and copying machines under capital leases. All capital leases are for terms of three to five years. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2013.

<u>Year</u>	
2014	\$27,288
2015	27,288
2016	27,288
2017	27,288
2018	<u>27,287</u>
	<u>\$136,439</u>

**NOTE 7. PENSION PLANS:**

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all eligible Board employees:

**Public Employees' Retirement System (PERS)** — Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

**Teachers' Pension and Annuity Fund (TPAF)** — Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

**Defined Contribution Retirement Program (DCRP)** — established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership.

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 7. PENSION PLANS: (continued)**

**Other Pension Funds**

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required State contribution for the system.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**Basis of Accounting**

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

**Investment Valuation**

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund, Common Pension Fund A, Common Pension Fund B, Common Pension Fund D and Common Pension Fund E. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290.

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 7. PENSION PLANS: (continued)**

**Significant Legislation**

PL, 2011, c.78, effective June 28, 2011, made various changes to the manner in which TPAF and PERS operate and to the benefit provisions of those systems.

This new legislation's provisions impacting employee pension and health benefits include:

- New members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members), will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  to 1 percent for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the TPAF and PERS is increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PERS members enrolled after June 28, 2011 (Tier 3 members), will be 60 percent instead of 65 percent of the member's final compensation plus 1 percent for each year of creditable service over 25 years but not to exceed 30 years.
- Active member contribution rates will increase. TPAF and PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for TPAF and PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

**Funding Status and Funding Progress**

As of July 1, 2010, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 70.5 percent with an unfunded actuarial accrued liability of \$36.3 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 65.2 percent and \$25.6 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 78.5 percent and \$10.7 billion.

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 7. PENSION PLANS: (continued)**

The funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financing reporting purposes does not explicitly incorporate the potential effects of legal or contractual limitations on the pattern of cost sharing between the employer and members in the future.

**Actuarial Methods and Assumptions**

In the July 1, 2010 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (1) 8.25 percent for investment rate of return for the retirement systems and (2) 5.45 percent for projected salary increases for the PERS and 5.74 percent for TPAF.

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 6.5% for PERS, 6.5% for TPAF and 5.50% for DCRP of the employee's annual compensation.

**Annual Pension Costs (APC)**

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2013 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

**Borough of Tinton Falls School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2013**

**NOTE 7. PENSION PLANS: (continued)**

During the years ended June 30, 2013, 2012 and 2011 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>PERS</u>	<u>On-behalf</u> <u>TPAF</u>	<u>DCRP</u>
2013	\$207,632	\$676,919	\$3,780
2012	218,303	329,974	
2011	222,215	33,014	

The State of New Jersey did not contribute to the TPAF for normal cost and accrued liability for fiscal year June 30, 2011. The State contributed \$676,919 during 2012/2013 for normal cost pension, accrued liability and the NCGI premium. For fiscal years 2011/2012 and 2010/2011, the State contributed \$31,979 and \$33,014, respectively, for the NCGI premium only.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$795,216 during the year ended June 30, 2013 for the employer's share of social security contributions for TPAF member as calculated on their base salaries. This amount, along with the on-behalf TPAF pension contribution, has been included in the district-wide financial statements and the fund financial statements as a revenue and expenditure in accordance with GASB No. 24.

**NOTE 8. POST-RETIREMENT MEDICAL BENEFITS:**

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are cost sharing multiple employer defined benefit plans.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other Employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund — State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF are combined and reported as Health Benefits Program Fund —Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 547 state and local participating employers and contributing entities for Fiscal Year 2011.

The State of New Jersey sponsors and administers the following health benefit programs covering certain state and local government employees, including those Board employees and retirees eligible for coverage.

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 8. POST-RETIREMENT MEDICAL BENEFITS: (continued)**

**Health Benefits Program Fund (HBPF) — Local Education** (including Prescription Drug Program Fund) — The State of New Jersey provides free coverage to members of the Teachers' Pension and Annuity Fund who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of P.L. 1992, c.126, the State also provides free coverage to members of the Public Employees' Retirement System and Alternate Benefits Program who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare parts A and B by paying the cost of the insurance for themselves and their covered dependents. Also, education employees are eligible for the PDP coverage after 60 days of employment.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**Basis of Accounting**

The financial statements of the health benefit programs are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the health benefit programs. Benefits or refunds are recognized when due and payable in accordance with the terms of the health benefit programs.

**Significant Legislation**

P.L. 2011, c.78, effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary.

**Investment Valuation**

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.



**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 8. POST-RETIREMENT MEDICAL BENEFITS: (continued)**

**Funded Status and Funding Progress**

As of July 1, 2010, the most recent actuarial valuation date, the State had a \$59.3 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$21.1 billion for state active and retired members and \$38.2 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events in the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

**Actuarial Methods and Assumptions**

In the July 1, 2010, actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 4.50 percent for investment rate of return for the OPEB.

**Post-Retirement Medical Benefits Contributions**

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2012, there were 97,661 retirees receiving post-retirement medical benefits. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education with 25 years of service. The State paid \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in fiscal year 2012.

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 8. POST-RETIREMENT MEDICAL BENEFITS: (continued)**

The State sets the contribution rate based on a pay as you go basis and not on the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TFAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2013, 2012 and 2011 were \$765,425, \$663,335 and \$701,212, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

**NOTE 9. DEFERRED COMPENSATION:**

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Equitable  
Valic

State of New Jersey Tax Shelter Annuity  
MetLife

**NOTE 10. RISK MANAGEMENT:**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**Property and Liability Insurance** - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

**Workers' Compensation Insurance** - The District is currently a member of the New Jersey School Boards Association Insurance Group (the "Group"). The Group provides the District with Workers' Compensation. The Group is a risk-sharing public entity risk pool that is both an insured and self administered group of school boards established for the purpose of providing low-cost insurance coverage for their respective members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Group are elected.

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 10. RISK MANAGEMENT: (continued)**

As a member of the Group, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Group were to be exhausted, members would become responsible for their respective shares of the Group's liabilities.

The Group can declare and distribute dividends to members upon approval of the State of New Jersey Department of Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

**NOTE 11. CAPITAL RESERVE ACCOUNT:**

A capital reserve account was established by the Borough of Tinton Falls Board of Education for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6A:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

Beginning balance, July 1, 2012	\$868,888
Interest Earnings	512
Deposits:	
Transfer by Board Resolution, June 17, 2013	<u>295,000</u>
Ending Balance, June 30, 2013	<u>\$1,164,400</u>

**NOTE 12. EMERGENCY RESERVE ACCOUNT:**

The emergency reserve is used to accumulate funds in accordance with *N.J.S.A. 18A:7F-41c(1)* to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1% of the general fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. Withdrawals from the reserve require the approval of the commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent.

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 12. EMERGENCY RESERVE ACCOUNT: (continued)**

The activity of the emergency reserve for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

Beginning balance, July 1, 2012	<u>\$250,000</u>
Ending balance, June 30, 2013	<u>\$250,000</u>

**NOTE 13. MAINTENANCE RESERVE ACCOUNT:**

A maintenance reserve account was established by the Board of Education by inclusion of \$66,599 in the 2002-2003 budget. The account is maintained in the general fund. The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCRA (N.J.A.A. 18A:7G-9). EFCRA requires that upon district completion of a school facilities project, the district must submit a plan for the maintenance of that facility. All such plans must include a provision for a maintenance reserve fund. On June 17, 2013, the Board transferred by resolution \$125,000 to the maintenance reserve account bringing the balance as of June 30, 2013 to \$1,833,362.

**NOTE 14. FUND BALANCE APPROPRIATED:**

**General Fund [Exhibit B-1]** - Of the \$10,612,776 General Fund fund balance at June 30, 2013, \$1,811,824 is reserved for encumbrances; \$3,568,110 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$1,447,846 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2014); \$1,164,400 has been reserved in the Capital Reserve Account; \$1,833,362 has been reserved in the maintenance reserve account; \$250,000 has been reserved in the Emergency Reserve Account; \$1,243,568 has been appropriated and included as anticipated revenue for the year ending June 30, 2014, and \$741,512 is unreserved and undesignated.

**Debt Service Fund** - Of the \$54,769 Debt Service Fund fund balance at June 30, 2013, \$49,562 has been appropriated and included as anticipated revenue for the year ending June 30, 2014 and \$5,207 is restricted for debt service.

**NOTE 15. CALCULATION OF EXCESS SURPLUS:**

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance — Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2013 is \$3,568,110. Of this amount, \$2,120,264 is the result of current year's operations.

**Borough of Tinton Falls School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2013**

**NOTE 16. INTERFUND RECEIVABLES AND PAYABLES:**

The composition of interfund balances as of June 30, 2013 is as follows:

**Due to/from other funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Enterprise - Food Service Fund	General Fund	\$52,175
General Fund	Special Revenue Fund	<u>63,360</u>
	Total Interfund Receivables	<u>\$115,535</u>

The above balances are the result of revenues earned or other financing sources received in one fund which are due to another fund and/or expenditures paid by one fund on behalf of another fund and/or to cover cash balances which were in an overdraft position.

The District expects all interfund balances to be liquidated within one year.

**NOTE 17. CONTINGENT LIABILITIES:**

The Board and the Board's attorney advises us that there are no pending or threatened litigation, unasserted claims or assessments.

**NOTE 18. SUBSEQUENT EVENTS:**

The Board has evaluated subsequent events through October 7, 2013, the date which the financial statements were available to be issued and no other items were noted for disclosure.

**REQUIRED SUPPLEMENTARY  
INFORMATION - PART II**

## **BUDGETARY COMPARISON SCHEDULES**

Tinton Falls School District									
Budgetary Comparison Schedule									
General Fund									
For the Year Ended June 30, 2013									
	Original Budget	Transfers/ Adjustments	Final Budget	Budget	12-13 Actual	Variance Final to Actual			
<b>REVENUES:</b>									
Local Sources:									
Local Tax Levy	19,016,660		19,016,660		19,016,660				
Miscellaneous	90,000		90,000		133,074	43,074			
Total - Local Sources	19,106,660		19,106,660		19,149,734	43,074			
State Sources:									
Categorical Transportation Aid	843,928		843,928		843,928				
Categorical Special Education Aid	903,797		903,797		903,797				
Categorical Security Aid	146,514		146,514		146,514				
Adjustment Aid	1,634,994		1,634,994		1,634,994				
Extraordinary Aid					501,055	501,055			
Other State Aid-Reimbursed Nonpublic Transportation					15,948	15,948			
On-behalf TPAF NCGI Premium (non-budgeted)					33,835	33,835			
On-behalf TPAF Post-Retirement Medical (non-budgeted)					765,425	765,425			
On-behalf TPAF Premium					643,084	643,084			
TPAF Social Security (Reimbursed - Non-Budgeted)					795,216	795,216			
Total - State Sources	3,529,233		3,529,233		6,283,796	2,754,563			
Federal sources:									
P.L. 81-874 (Impact Aid)					95,412	95,412			
Total - Federal Sources					95,412	95,412			
<b>TOTAL REVENUES</b>	<b>22,635,893</b>		<b>22,635,893</b>		<b>25,528,942</b>	<b>2,893,049</b>			



[illegible]

Tinton Falls School District Budgetary Comparison Schedule General Fund For the Year Ended June 30, 2013									
	Original Budget	Transfers/ Adjustments	Final Budget	Budget 12-13 Actual	Variance Final to Actual				
<b>SPECIAL EDUCATION - INSTRUCTION</b>									
<b>Learning and/or Language Disabilities:</b>									
Salaries of Teachers	142,474	(4,107)	138,367	60,697	77,670				
Other Salaries for Instruction	73,070	(29,704)	43,366	29,824	13,542				
General Supplies	1,800	(1,648)	152	124	28				
Textbooks		1,019	1,019	1,019	0				
<b>Total Learning and/or Language Disabilities</b>	<b>217,344</b>	<b>(34,440)</b>	<b>182,904</b>	<b>91,663</b>	<b>91,241</b>				
<b>Multiple Disabilities:</b>									
Salaries of Teachers	236,131	85,345	321,476	278,228	43,248				
Other Salaries for Instruction	31,518	(12,720)	18,798	4,802	13,996				
General Supplies	1,452	366	1,818	1,801	17				
Textbooks		8,615	8,615	8,615					
<b>Total Multiple Disabilities</b>	<b>269,101</b>	<b>81,606</b>	<b>350,707</b>	<b>293,447</b>	<b>57,260</b>				
<b>Resource Room/Resource Center:</b>									
Salaries of Teachers	1,474,896	50,173	1,525,069	1,367,543	157,526				
Other Salaries for Instruction	27,998	(13,290)	14,708	366	14,342				
General Supplies	5,015	1,678	6,693	6,618	75				
Textbooks	110	21,190	21,300	21,300					
<b>Total Resource Room/Resource Center</b>	<b>1,508,019</b>	<b>59,751</b>	<b>1,567,770</b>	<b>1,395,826</b>	<b>171,944</b>				
<b>Autism:</b>									
Salaries of Teachers	125,198	14,535	139,733	103,633	36,100				
Other Salaries for Instruction	47,736	(7,120)	40,616	30,837	9,778				
General Supplies	1,732	1,495	3,227	2,648	579				
Textbooks		3,616	3,616	3,615	1				
<b>Total Autism</b>	<b>174,666</b>	<b>12,526</b>	<b>187,192</b>	<b>140,734</b>	<b>46,458</b>				

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Tinton Falls School District									
Budgetary Comparison Schedule									
General Fund									
For the Year Ended June 30, 2013									
	Original Budget	Transfers/ Adjustments	Final Budget	12-13 Actual	Variance Final to Actual				
<b>Basic Skills/Remedial - Instruction</b>									
Salaries of Teachers	388,279	9,678	397,957	309,993	87,964				
General Supplies	3,125	(225)	2,900	2,858	42				
Textbooks		8,670	8,670	8,668	2				
<b>Total Basic Skills/Remedial - Instruction</b>	<b>391,404</b>	<b>18,123</b>	<b>409,527</b>	<b>321,519</b>	<b>88,008</b>				
<b>Bilingual Education - Instruction</b>									
Salaries of Teachers	83,284		83,284	83,029	255				
General Supplies	1,750	94	1,844	1,821	23				
<b>Total Bilingual Education - Instruction</b>	<b>85,034</b>	<b>94</b>	<b>85,128</b>	<b>84,850</b>	<b>278</b>				
<b>School-Sponsored Cocurricular Activities - Instruction</b>									
Salaries	70,559		70,559	64,487	6,072				
Supplies and Materials	4,195		4,195	3,098	1,097				
<b>Total School-Sponsored Cocurricular Activities - Instruction</b>	<b>74,754</b>		<b>74,754</b>	<b>67,585</b>	<b>7,169</b>				
<b>School-Sponsored Athletics - Instruction</b>									
Salaries	39,407		39,407	35,779	3,628				
Purchased Services (300-500 series)	9,600	387	9,987	7,989	1,998				
Supplies and Materials	12,000	2,322	14,322	5,956	8,366				
Other Objects	1,300		1,300		1,300				
<b>Total Other Instructional Programs - Instruction</b>	<b>62,307</b>	<b>2,709</b>	<b>65,016</b>	<b>49,724</b>	<b>15,292</b>				
<b>TOTAL INSTRUCTION</b>	<b>10,438,606</b>	<b>750,684</b>	<b>11,189,290</b>	<b>9,692,530</b>	<b>1,496,761</b>				

Tinton Falls School District									
Budgetary Comparison Schedule									
General Fund									
For the Year Ended June 30, 2013									
	Original Budget	Transfers/ Adjustments	Final Budget	12-13 Actual	Variance Final to Actual				
Undistributed Expenditures - Instruction:									
Tuition to State- Regular		81,093	81,093	74,991	6,102				
Tuition to State-Special	90,981	(15,051)	75,930	64,712	11,218				
Tuition to Private Schools for the Handicapped - Within State	510,963	(58,683)	452,280	400,462	51,819				
Total Undistributed Expenditures - Instruction:	601,944	7,359	609,303	540,165	69,138				
Undist. Expend. - Health Services									
Salaries	303,646	11,835	315,481	273,564	41,917				
Purchased Professional and Technical Services	9,500	3,800	13,300	3,875	9,425				
Other Purchased Services (400-500 series)	15,110	14,856	29,966	24,849	5,117				
Supplies and Materials	3,812	50	3,862	3,458	404				
Total Undistributed Expenditures - Health Services	332,068	30,541	362,609	305,747	56,862				
Undist. Expend. - Other Supp. Serv. Students - Related Serv.									
Salaries	332,864	73,552	406,416	279,218	127,198				
Purchased Professional - Educational Services	90,100	398	90,498	49,414	41,084				
Supplies and Materials	2,485	641	3,126	2,991	136				
Other Objects	600	(589)	11		11				
Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.	426,049	74,002	500,051	331,623	168,428				
Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.									
Salaries	920,003	124,863	1,044,866	935,935	108,931				
Purchased Professional - Educational Services	6,500		6,500	1,875	4,625				
Supplies and Materials	250	(250)							
Total Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.	926,753	124,613	1,051,366	937,810	113,556				
Undist. Expend. - Guidance									
Salaries of Other Professional Staff	176,131	24,770	200,901	170,168	30,734				
Salaries of Secretarial and Clerical Assistants	500		500		500				
Purchased Professional - Educational Services	4,500		4,500	3,980	520				
Other Purchased Prof. and Tech. Services	5,675		5,675	2,600	3,075				
Other Purchased Services (400-500 series)	1,675		1,675		1,675				
Supplies and Materials	1,748		1,748	384	1,364				
Other Objects	300		300		300				
Total Undist. Expend. - Guidance	190,529	24,770	215,299	177,132	38,167				

Tinton Falls School District									
Budgetary Comparison Schedule									
General Fund									
For the Year Ended June 30, 2013									
	Original Budget	Transfers/ Adjustments	Final Budget	12-13 Actual	Variance Final to Actual				
<b>Undist. Expend. - Child Study Teams</b>									
Salaries of Other Professional Staff	549,957	75,939	625,896	482,798	143,098				
Salaries of Secretarial and Clerical Assistants	2,000		2,000		2,000				
Other Salaries	42,221	12,237	54,458	39	54,419				
Purchased Professional - Educational Services	36,500	3,805	40,305	20,180	20,125				
Other Purchased Prof. and Tech. Services	1,000	(1,000)							
Miscellaneous Purchased Services (400-500 series O/ than Resid Costs)	10,180	1,324	11,504	10,222	1,282				
Supplies and Materials	11,153	(2,492)	8,661	8,438	223				
Other Objects	6,000	(2,472)	3,528	3,486	42				
<b>Total Undist. Expend. - Child Study Team</b>	<b>659,011</b>	<b>87,341</b>	<b>746,352</b>	<b>525,162</b>	<b>221,190</b>				
<b>Undist. Expend. - Improvement of Instructional Services</b>									
Salaries of Supervisor of Instruction	209,804	11,235	221,039	207,361	13,678				
Salaries of Other Professional Staff	5,000		5,000		5,000				
Salaries of Secretarial and Clerical Assistants	51,090	2,101	53,191	50,903	2,288				
Other Salaries	144,170	34,189	178,359	109,984	68,374				
Salaries of Facilitators, Math and Literacy Coaches	39,692	9,481	49,173	49,173					
Purchased Prof- Educational Services	51,700	(7,300)	44,400	37,365	7,036				
Other Purch Services (400-500)	10,000	(910)	9,090	8,150	940				
Supplies and Materials	156,090	(21,285)	134,805	112,745	22,060				
Other Objects	510	1,293	1,803	1,803					
<b>Total Undist. Expend. - Improvement of Inst. Services</b>	<b>668,056</b>	<b>28,803</b>	<b>696,859</b>	<b>577,484</b>	<b>119,375</b>				
<b>Undist. Expend. - Educational Media Serv./Sch. Library</b>									
Salaries	162,541	20,288	182,829	166,457	16,373				
Purchased Professional and Technical Services	9,250		9,250	3,807	5,443				
Other Purchased Services (400-500 series)	1,050	54	1,104	401	702				
Supplies and Materials	7,870		7,870	5,966	1,904				
<b>Total Undist. Expend. - Educational Media Serv./Sch. Library</b>	<b>180,711</b>	<b>20,342</b>	<b>201,053</b>	<b>176,630</b>	<b>24,422</b>				
<b>Undist. Expend. - Instructional Staff Training Serv.</b>									
Salaries of Other Professional Staff	62,500	11,710	74,210	57,885	16,324				
Travel									
Purchased Professional - Educational Services	25,750	(6,735)	19,015	10,590	8,425				
Other Purchased Services (400-500 series)	7,340	22	7,362	2,294	5,069				
Other Objects	13,700	(4,993)	8,707	6,693	2,014				
<b>Total Undist. Expend. - Instructional Staff Training Serv.</b>	<b>109,290</b>	<b>4</b>	<b>109,294</b>	<b>77,462</b>	<b>31,832</b>				

Tinton Falls School District									
Budgetary Comparison Schedule									
General Fund									
For the Year Ended June 30, 2013									
	Original Budget	Transfers/ Adjustments	Final Budget	12-13 Actual	Variance Final to Actual				
<b>Undist. Expend. - Supp. Serv. - General Administration</b>									
Salaries	163,400 .	20,000	183,400	158,553	24,847				
Salaries of Secretarial Assistants	70,300 .	1	70,301	70,042	258				
Legal Services	71,000 .	1,045	72,045	38,728	33,318				
Audit Fees	32,000 .	(3,795)	28,205	26,878	1,328				
Architectural/Engineering Services	17,000 .	22,792	39,792	6,146	33,645				
Other Purchased Professional Services	24,871 .	7,175	32,046	2,395	29,651				
Purchased Technical Services	22,271 .	20,411	42,682	30,620	12,062				
Other Purch Prof. and Tech. Services	12,400 .	5,008	17,408	16,279	1,129				
Communications/Telephone	126,025 .	(27,827)	98,198	68,152	30,046				
BOE Other Purchased Services									
Postage	24,955 .	300	25,255	8,532	16,722				
Travel	5,232 .		5,232	434	4,798				
Board of Education Travel	4,500 .		4,500	1,593	2,907				
Miscellaneous Purchased Services (400-500) [Other than 530 & 585]	61,817 .	45	61,862	52,588	9,274				
General Supplies	20,500 .	3,018	23,518	6,661	16,857				
BOE Training/Meeting Supplies	2,000 .		2,000	300	1,700				
Other Objects									
Judgments Against the School District	30,000 .	6,059	36,059	2,100	33,959				
Miscellaneous Expenditures	10,275 .	1,437	11,712	8,794	2,917				
BOE Membership Dues/Fees	15,000 .		15,000	13,233	1,767				
<b>Total Undist. Expend. - Supp. Serv. - General Administration</b>	<b>713,546</b>	<b>55,668</b>	<b>769,214</b>	<b>512,028</b>	<b>257,186</b>				

Tinton Falls School District										
Budgetary Comparison Schedule										
General Fund										
For the Year Ended June 30, 2013										
	Original Budget	Transfers/ Adjustments	Final Budget	Budget 12-13 Actual	Variance Final to Actual					
<b>Undist. Expend. - Support Serv. - School Administration</b>										
Salaries of Principals/Assistant Principals	350,030		350,030	329,498	20,532					
Salaries of Other Professional Staff	140,929		140,929	140,412	517					
Salaries of Secretarial and Clerical Assistants	415,159	483	415,642	409,486	6,156					
Other Salaries	8,222		8,222	8,100	122					
Purchased Professional and Technical Services	9,700		9,700		9,700					
Other Purchased Services (400-500 series)	10,750	471	11,221	183	11,038					
Supplies and Materials	20,138	2,600	22,738	15,004	7,734					
Other Objects	11,343	(3,007)	8,336	5,968	2,368					
<b>Total Undist. Expend. - Support Serv. - School Administration</b>	<b>966,271</b>	<b>546</b>	<b>966,817</b>	<b>908,650</b>	<b>58,167</b>					
<b>Undistributed Expenditures Central Services</b>										
Salaries	132,385	2,401	134,786	132,035	2,751					
Salaries of Secretarial and Clerical Assistants	164,398		164,398	155,723	8,675					
Purchased Technical Service	10,618	(2,401)	8,217	1,610	6,607					
Misc. Purchased Serv. (400-500) O/T 594	12,500	10,309	22,809	13,082	9,726					
Travel Expense	1,700		1,700	967	733					
Supplies and Materials	9,200	1,888	11,088	5,186	5,903					
Other Objects	400		400		400					
Miscellaneous Expenditures	3,750	43,000	46,750	3,341	43,409					
<b>Total Undistributed Expenditures Central Services</b>	<b>334,951</b>	<b>55,197</b>	<b>390,148</b>	<b>311,944</b>	<b>78,204</b>					



Tinton Falls School District									
Budgetary Comparison Schedule									
General Fund									
For the Year Ended June 30, 2013									
	Original Budget	Transfers/ Adjustments	Final Budget	Budget 12-13 Actual	Variance Final to Actual				
<b>Undistributed Expenditures Admin Info Tech</b>									
Salaries	65,783		65,783	65,542	241				
Purchased Technical Services	14,000		14,000	4,000	10,000				
Supplies and Materials	14,000	119	14,119	4,452	9,667				
<b>Total Undistributed Expenditures Admin Info Tech</b>	<b>93,783</b>	<b>119</b>	<b>93,902</b>	<b>73,994</b>	<b>19,907</b>				
<b>Undist. Expend. - Required Maint. for School Facilities</b>									
Purchased Technical Services	7,000	8,601	15,601	10,435	5,166				
Cleaning, Repair and Maintenance Services	364,858	(21,916)	342,942	293,575	49,367				
General Supplies	28,500	41,140	69,640	54,323	15,317				
Other Objects	900	(450)	450	240	210				
<b>Total Undist. Expend. - Required Maint. for School Facilities</b>	<b>401,258</b>	<b>27,375</b>	<b>428,633</b>	<b>358,573</b>	<b>70,060</b>				
<b>Undist. Expend. - Custodial Services</b>									
Salaries	22,000		22,000	12,691	9,309				
Salaries of Non-Instructional Aides	79,410	(7,000)	72,410	46,376	26,034				
Purchased Professional and Technical Services	5,000	4,451	9,451	1,075	8,376				
Cleaning, Repair and Maintenance Services	713,567	(26,096)	687,471	679,802	7,669				
Other Purchased Property Services	52,371	(2,921)	49,450	38,498	10,952				
Insurance	59,344		59,344	57,840	1,504				
General Supplies	41,700	2,119	43,819	28,438	15,381				
Energy (Natural Gas)	224,150	4,575	228,725	157,487	71,238				
Energy (Electricity)	452,400	(80,706)	371,694	248,702	122,992				
Other Objects	1,000		1,000	662	338				
<b>Total Undist. Expend. - Custodial Services</b>	<b>1,650,942</b>	<b>(105,578)</b>	<b>1,545,364</b>	<b>1,271,570</b>	<b>273,794</b>				
<b>Undist. Expend. - Care &amp; Upkeep of Grounds</b>									
Purchased Professional and Technical Services	71,400	4,640	76,040	73,730	2,310				
Cleaning, Repair and Maintenance Services	3,500		3,500	1,618	1,882				
Supplies and Materials		7,167	7,167	4,177	2,990				
General Supplies	7,400	(4,060)	3,340	2,733	607				
<b>Total Undist. Expend. - Care &amp; Upkeep of Grounds</b>	<b>82,300</b>	<b>7,747</b>	<b>90,047</b>	<b>82,259</b>	<b>7,788</b>				
<b>Undist. Expend. - Security</b>									
Repair and Maintenance		22,500	22,500	22,500					
Purchased Professional and Technical Services	5,575	3,675	9,250	9,250					
General Supplies	5,000	12,325	17,325	5,050	12,275				
<b>Total Undist. Expend. - Security</b>	<b>10,575</b>	<b>38,500</b>	<b>49,075</b>	<b>36,800</b>	<b>12,275</b>				
<b>Total Undist. Expend-Oper &amp; Maint of Plant Services</b>	<b>2,145,075</b>	<b>(31,956)</b>	<b>2,113,119</b>	<b>1,749,202</b>	<b>363,917</b>				

Tinton Falls School District									
Budgetary Comparison Schedule									
General Fund									
For the Year Ended June 30, 2013									
	Original Budget	Transfers/ Adjustments	Final Budget	12-13 Actual	Variance Final to Actual				
<b>Undist. Expend. - Student Transportation Services</b>									
Contracted Services (Between Home & School)-Vendors	1,180,539	(96,500)	1,084,039	827,035	257,004				
Contract Services (Other than Between Home & School)-Vendors	42,350		42,350	12,483	29,867				
Contracted Services (Between Home & School)-Joint Agreements	230,000	37,000	267,000	201,607	65,393				
Contracted Services (Special Ed. Students)-Vendors	365,491	(16,375)	349,116	324,642	24,474				
Contracted Services (Special Ed. Students)-Joint Agreements	15,252	16,395	31,647	26,318	5,329				
Contracted Services (Reg. Students)-ESCs & CTSA	26,000		26,000		26,000				
Contracted Services (Special Ed. Students)-ESCs & CTSA	179,993	(1,962)	178,031	139,783	38,248				
Misc. Purchased Services-Transportation	6,000	11,500	17,500	10,600	6,900				
Transportation Supplies	4,500		4,500		4,500				
<b>Total Undist. Expend. - Student Transportation Services</b>	<b>2,050,125</b>	<b>(49,942)</b>	<b>2,000,183</b>	<b>1,542,468</b>	<b>457,715</b>				
<b>UNALLOCATED BENEFITS</b>									
Social Security Contributions	230,000	13,698	243,698	190,527	53,171				
Other Retirement Contributions-PERS	254,098		254,098	212,482	41,616				
Unemployment Compensation	53,822		53,822	51,447	2,375				
Workmen's Compensation	144,950	(10,000)	134,950	110,601	24,349				
Health Benefits	2,870,549	155,000	3,025,549	2,957,254	68,295				
Tuition Reimbursement	52,700	17,139	69,839	39,664	30,175				
Other Employee Benefits	263,352	1,700	265,052	205,235	59,817				
<b>TOTAL UNALLOCATED BENEFITS</b>	<b>3,869,471</b>	<b>177,538</b>	<b>4,047,009</b>	<b>3,767,210</b>	<b>279,799</b>				
<b>ON-BEHALF CONTRIBUTIONS</b>									
On-behalf TPAF NCGI Premium (non-budgeted)				33,835	33,835				
On-behalf TPAF Post-Retirement Medical (non-budgeted)				765,425	765,425				
On-behalf TPAF Premium				643,084	643,084				
Reimbursed TPAF Social Security Contributions (non-budgeted)				795,216	795,216				
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>				<b>2,237,560</b>	<b>2,237,560</b>				
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<b>3,869,471</b>	<b>177,538</b>	<b>4,047,009</b>	<b>6,004,770</b>	<b>2,517,359</b>				
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>14,267,633</b>	<b>604,944</b>	<b>14,872,577</b>	<b>14,752,270</b>	<b>4,595,426</b>				
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>24,706,239</b>	<b>1,355,628</b>	<b>26,061,867</b>	<b>24,444,800</b>	<b>6,092,187</b>				

Tinton Falls School District									
Budgetary Comparison Schedule									
General Fund									
For the Year Ended June 30, 2013									
	Original Budget	Transfers/ Adjustments	Final Budget	Budget 12-13 Actual	Variance Final to Actual				
<b>CAPITAL OUTLAY</b>									
Equipment:									
Administrative Information Technology									
<b>Regular Programs - Instruction:</b>									
Preschool/Kindergarten									
Grades 1-5	8,500		8,500		8,500				
Grades 6-8	5,000		5,000		5,000				
Preschool Disabilities	5,000	(5,000)							
School Sponsored and Other Instructional Programs	2,500		2,500		2,500				
Undist. Expend.-Custodial Services	15,000		15,000		15,000				
Undist. Expend.- Admin. Info Tech	59,000		59,000		59,000				
Undist. Expend.-Care and Upkeep of Grounds	15,000		15,000	6,319	8,681				
<b>Total Equipment</b>	<b>110,000</b>	<b>(5,000)</b>	<b>105,000</b>	<b>6,319</b>	<b>98,681</b>				
<b>Facilities Acquisition and Construction Services</b>									
Infrastructure	210,000		210,000		210,000				
Capital Reserve to CAP Projects		6,710	6,710		6,710				
Architectural/Engineering Services	45,000	13,764	58,764	33,739	25,025				
Other Purchased Prof. and Tech. Services	10,000	37,206	47,206	30,480	16,726				
Construction Services	953,223	354,341	1,307,564	531,986	775,578				
Assessment for Debt Service SDA Funding	17,762		17,762	17,762					
<b>Total Facilities Acquisition and Construction Services</b>	<b>1,235,985</b>	<b>412,021</b>	<b>1,648,006</b>	<b>613,966</b>	<b>1,034,039</b>				
<b>Assets Acquired Under Capital Leases (non-budgeted)</b>									
Undistributed Expenditures									
Instructional Equipment				136,439	(136,439)				
<b>TOTAL CAPITAL OUTLAY</b>	<b>1,345,985</b>	<b>407,021</b>	<b>1,753,006</b>	<b>756,724</b>	<b>996,282</b>				
<b>TOTAL EXPENDITURES</b>	<b>26,052,224</b>	<b>1,762,649</b>	<b>27,814,873</b>	<b>25,201,524</b>	<b>2,613,349</b>				
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(3,416,331)</b>	<b>(1,762,649)</b>	<b>(5,178,980)</b>	<b>327,418</b>	<b>5,506,398</b>				

Tinton Falls School District									
Budgetary Comparison Schedule									
General Fund									
For the Year Ended June 30, 2013									
	Original Budget	Transfers/ Adjustments	Final Budget	Budget	12-13 Actual	Variance Final to Actual			
Other Financing Sources/(Uses):									
Operating Transfer Out:									
Grant from FEMA					5,452	5,452			
Capital Leases (non-budgeted)					136,439	136,439			
Transfer to Food Service Fund		(2,825)	(2,825)						
Transfer to Charter Schools	(10,656)	4,000	(6,656)						
Total Other Financing Sources/(Uses):	(10,656)	1,175	(9,481)		141,891	151,372			
Excess (Deficiency) of Revenues and Other Financing Sources									
Over (Under) Expenditures and Other Financing Sources (Uses)	(3,426,987)	(1,761,474)	(5,188,461)		469,309	5,657,770			
Fund Balance, July 1	10,470,920		10,470,920		10,470,920				
Fund Balance, June 30	7,043,933	(1,761,474)	5,282,459		10,940,229	5,657,770			
Reconciliation:									
Adjustment for prior years encumbrances		(1,761,474)	(1,761,474)		(1,761,474)				
Increase in Capital Reserve Principal					295,000	295,000			
Increase in Maintenance Reserve Principal					125,000	125,000			
Budgeted Fund Balances	(3,426,987)		(3,426,987)		1,810,783	5,237,770			
Total	(3,426,987)	(1,761,474)	(5,188,461)		469,309	5,657,770			
Recapitulation:									
Restricted Fund Balance:									
Capital Reserve					1,164,400				
Maintenance Reserve					1,833,362				
Emergency Reserve					250,000				
Excess Surplus - Designated for Subsequent Year's Expenditures					1,447,846				
Excess Surplus - Current Year					2,120,264				
Assigned Fund Balance:									
Year-End Encumbrances					1,811,824				
Designated for Subsequent Year's Expenditures					1,243,568				
Unassigned Fund Balance					1,068,965				
Total					10,940,229				
Reconciliation to Governmental Funds Statement (GAAP):									
Last State Aid Payment not recognized on GAAP basis					(327,453)				
Fund Balance per Governmental Funds (GAAP)					10,612,776				

Tinton Falls School District  
Budgetary Comparison Schedule  
Special Revenue Fund  
For the Year Ended June 30, 2013

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources		91,225	91,225	91,225	
State Sources	45,930	58,324	104,254	104,254	
Federal Sources	343,500	356,688	700,188	700,188	
<b>Total Revenues</b>	<b>389,430</b>	<b>506,237</b>	<b>895,667</b>	<b>895,667</b>	
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers					
Salaries of Other Professional Staff	73,500	303,546	377,046	377,046	
Other Salaries for Instruction					
Purchased Professional - Educational Services	270,000	(161,455)	108,545	108,545	
Purchased Professional and Technical Services	26,355	68,767	95,122	95,122	
Other Purchased Services (400-500 series)					
General Supplies		39,754	39,754	39,754	
Textbooks	19,575	7,564	27,139	27,139	
Other Objects		47,157	47,157	47,157	
<b>Total Instruction</b>	<b>389,430</b>	<b>305,333</b>	<b>694,763</b>	<b>694,763</b>	
<b>Support Services:</b>					
Salaries		35,366	35,366	35,366	
Personal Services - Employee Benefits		47,066	47,066	47,066	
Purchased Professional & Technical Services		10,417	10,417	10,417	
Purchased Professional - Educational Services		90,848	90,848	90,848	
Purchased Technical Services					
Other Purchased Services (400-500 series)		17,207	17,207	17,207	
Supplies & Materials					
Other Objects					
<b>Total Support Services</b>		<b>200,904</b>	<b>200,904</b>	<b>200,904</b>	
<b>Facilities Acquisition and Const. Serv.:</b>					
Instructional Equipment					
<b>Total Facilities Acquisition and Const. Serv.</b>					
<b>Total Expenditures</b>	<b>389,430</b>	<b>506,237</b>	<b>895,667</b>	<b>895,667</b>	
<b>Excess (Deficiency) of Revenues Over (Under)</b>					
<b>Expenditures and Other Financing Sources (Uses)</b>					

Tinton Falls School District  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Note to Required Supplementary Information  
 For the Year Ended June 30, 2013

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and  
 GAAP Revenues and Expenditures**

		General Fund	Special Revenue Fund
<b>Sources/inflows of resources</b>			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1]&[C-2]	25,528,942	895,667
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		NONE	NONE
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		333,687	
State aid payment recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).		(327,454)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	25,535,175	895,667
<b>Uses/outflows of resources</b>			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	25,201,524	895,667
Differences - budget to GAAP		NONE	NONE
The district budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis. <i>[Not applicable in this example]</i>			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.			
Net transfers (outflows) to general fund			
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	25,201,524	895,667

**SPECIAL REVENUE FUND**

Union Falls School District  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Year Ended June 30, 2013

	Total Brought Forward (Ex. E-1a)	Title I, Part A, 2012-13	Title I, Part A, Carryover	Title II, Part A, 2012-13	Title II, Part A, Carryover	Teacher Qualify	Title II, Part D Carryover	Title III 2012-13	Totals 2011
<b>REVENUES</b>									
Local Sources	91,225								91,225
State Sources	103,315		23,454		17,681	939	7,051	5,499	104,254
Federal Sources	535,461	102,575		8,467					700,188
<b>Total Revenues</b>	<b>730,001</b>	<b>102,575</b>	<b>23,454</b>	<b>8,467</b>	<b>17,681</b>	<b>939</b>	<b>7,051</b>	<b>5,499</b>	<b>895,667</b>
<b>EXPENDITURES:</b>									
<b>Instruction:</b>									
Salaries of Teachers	280,389	88,822	1,903			939		4,993	377,046
Salaries of Other Professional Staff									
Other Salaries for Instruction			8,377				7,051		108,545
Purchased Professional - Educational Services	91,683	8,485							95,122
Purchased Professional and Technical Services	86,092	1,979							
Other Purchased Services (400-500 series)		3,289							39,754
General Supplies	36,465								27,139
Textbooks	27,139								
Other Objects	47,157								47,157
<b>Total Instruction</b>	<b>588,925</b>	<b>102,575</b>	<b>10,280</b>			<b>939</b>	<b>7,051</b>	<b>4,993</b>	<b>694,763</b>
<b>Support Services:</b>									
Salaries	35,366								35,366
Personal Services - Employee Benefits	33,892		13,174						47,066
Purchased Professional & Technical Services	10,417								10,417
Purchased Professional - Educational Services	73,098			8,441	8,803			506	90,848
Purchased Technical Services									
Other Purchased Services (400-500 series)				26	8,878				17,207
Supplies & Materials	8,303								
Other Objects									
<b>Total Support Services</b>	<b>161,076</b>		<b>13,174</b>	<b>8,467</b>	<b>17,681</b>			<b>506</b>	<b>200,904</b>
<b>Facilities Acquisition and Const. Serv.:</b>									
Instructional Equipment									
<b>Total Facilities Acquisition and Const. Serv.</b>									
<b>Total Expenditures</b>	<b>730,001</b>	<b>102,575</b>	<b>23,454</b>	<b>8,467</b>	<b>17,681</b>	<b>939</b>	<b>7,051</b>	<b>5,499</b>	<b>895,667</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Raising Sources (Uses)</b>									



Tinton Falls School District  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Year Ended June 30, 2013

	Total Brought Forward (Ex. E-1b)	Title III Carryover	IDEA Part B, Basic 2012-13	IDEA Part B, Basic Carryover	IDEA Preschool 2012-13	Race to the Top	Total Carried Forward
<b>REVENUES</b>							
Local Sources	91,225						91,225
State Sources	103,315						103,315
Federal Sources	-	335	192,727	315,789	18,781	7,829	535,461
<b>Total Revenues</b>	<b>194,540</b>	<b>335</b>	<b>192,727</b>	<b>315,789</b>	<b>18,781</b>	<b>7,829</b>	<b>730,001</b>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of Teachers	-		106,635	173,754			280,389
Salaries of Other Professional Staff	-						-
Other Salaries for Instruction	-						-
Purchased Professional - Educational Services	500			91,183			91,683
Purchased Professional and Technical Services	-		86,092				86,092
Other Purchased Services (400-500 series)	-						-
General Supplies	36,465						36,465
Textbooks	27,139						27,139
Other Objects	47,157						47,157
<b>Total Instruction</b>	<b>111,261</b>	<b>-</b>	<b>192,727</b>	<b>264,937</b>	<b>-</b>	<b>-</b>	<b>568,925</b>
<b>Support services:</b>							
Salaries	-	335		35,031			35,366
Personal Services - Employee Benefits	-			15,111	18,781		33,892
Purchased Professional & Technical Services	10,417						10,417
Purchased Professional - Educational Services	69,959			710		2,429	73,098
Purchased Technical Services	-						-
Other Purchased Services (400-500 series)	-						-
Supplies & Materials	2,903					5,400	8,303
Other Objects	-						-
<b>Total Support Services</b>	<b>83,279</b>	<b>335</b>	<b>-</b>	<b>50,852</b>	<b>18,781</b>	<b>7,829</b>	<b>161,076</b>
<b>Facilities Acquisition and Const. Serv.:</b>							
Instructional Equipment	-						-
<b>Total Facilities Acquisition and Const. Serv.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>194,540</b>	<b>335</b>	<b>192,727</b>	<b>315,789</b>	<b>18,781</b>	<b>7,829</b>	<b>730,001</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Tinton Falls School District  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Year Ended June 30, 2013

	Ch. 193 - Handicapped Services							Total Carried Forward
	IDEA Preschool Carryover	Nonpublic Technology Aid	Nonpublic Textbook Aid	Nonpublic Nursing Aid	Nonpublic Annual Exam & Classification	Nonpublic Corrective Speech	Nonpublic Supplemental Instruction	
REVENUES								
Local Sources		10,417	27,139	37,657	15,296	4,687	8,119	91,225
State Sources								103,315
Federal Sources								-
<b>Total Revenues</b>	-	10,417	27,139	37,657	15,296	4,687	8,119	194,540
EXPENDITURES:								
Instruction:								-
Salaries of Teachers								-
Salaries of Other Professional Staff								-
Other Salaries for Instruction								-
Purchased Professional - Educational Services								500
Purchased Professional and Technical Services								-
Other Purchased Services (400-500 series)								-
General Supplies			27,139					36,465
Textbooks								27,139
Other Objects								47,157
<b>Total Instruction</b>	-	-	27,139	-	-	-	-	84,122
Support Services:								
Salaries								-
Personal Services - Employee Benefits								-
Purchased Professional & Technical Services		10,417		37,657	15,296	4,687	8,119	10,417
Purchased Professional - Educational Services								69,959
Purchased Technical Services								-
Other Purchased Services (400-500 series)								-
Supplies & Materials								2,903
Other Objects								-
<b>Total Support Services</b>	-	10,417	-	37,657	15,296	4,687	8,119	83,279
Facilities Acquisition and Const. Serv.:								
Instructional Equipment								-
<b>Total Facilities Acquisition and Const. Serv.</b>	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	-	10,417	27,139	37,657	15,296	4,687	8,119	194,540
<b>Excess (Deficiency) of Revenues Over (Under)</b>	-	-	-	-	-	-	-	-
<b>Expenditures and Other Financing Sources (Uses)</b>	-	-	-	-	-	-	-	-

## **CAPITAL PROJECTS FUND**

Tinton Falls School District  
**Capital Projects Fund**  
**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis**  
**For the Year Ended June 30, 2013**

**Revenues and Other Financing****Sources**

State Sources - SCC Grant	\$ 851,981
Bond proceeds and transfers	
Interest on Investments	5,207
Transfer from capital reserve	
Transfer from capital outlay	-
Total revenues	<u>857,188</u>

**Expenditures and Other Financing****Uses**

Purchased professional and technical services	50,636
Land and Improvements	-
Construction Services	2,092,806
Equipment Purchases	-
Total expenditures	<u>2,143,442</u>
Excess (deficiency) of revenues over (under) expenditures	(1,286,254)
Transfers out	(5,207)
Fund balance - beginning	<u>3,873,604</u>
Fund balance - ending	<u>\$ 2,582,143</u>

Tinton Falls School District  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Middle School Roof Replacement**  
**For the Year Ended June 30, 2013**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 137,367	\$ -	\$ 137,367	\$ 137,367
Bond proceeds and transfers	-	-	-	-
Contribution from private source	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	266,000	-	266,000	266,000
Total revenues	<u>403,367</u>	<u>-</u>	<u>403,367</u>	<u>403,367</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	-	-	-	-
Land and Improvements	-	-	-	-
Construction Services	393,158	-	393,158	403,367
Equipment purchases	-	-	-	-
Total expenditures	<u>393,158</u>	<u>-</u>	<u>393,158</u>	<u>403,367</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>10,209</u>	\$ <u>-</u>	\$ <u>10,209</u>	\$ <u>-</u>

**Additional project information:**

Project Number	5185-070-04-2000
Grant Date	7/19/2004
Bond Authorization Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	\$343,418
Revised Authorized Cost	\$403,367

## Percentage Increase over Original

Authorized Cost	17.46%
Percentage completion	97%
Original target completion date	8/15/2005
Revised target completion date	8/15/2005

Tinton Falls School District  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Mahala F. Atchinson Roof Project**  
**For the Year Ended June 30, 2013**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 299,943	\$ -	\$ 299,943	\$ 299,943
Bond proceeds and transfers	-	-	-	-
Contribution from private source	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	450,000	-	450,000	450,000
Total revenues	<u>749,943</u>	<u>-</u>	<u>749,943</u>	<u>749,943</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	48,092	-	48,092	48,092
Land and Improvements	-	-	-	-
Construction Services	500,000	-	500,000	701,851
Equipment purchases	-	-	-	-
Total expenditures	<u>548,092</u>	<u>-</u>	<u>548,092</u>	<u>749,943</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>201,851</u>	\$ <u>-</u>	\$ <u>201,851</u>	\$ <u>-</u>

**Additional project information:**

Project Number	5185-030-05-1000
Grant Date	2/2/2006
Bond Authorization Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	\$749,858
Revised Authorized Cost	\$749,943

## Percentage Increase over Original

Authorized Cost	0.01%
Percentage completion	100%
Original target completion date	6/30/2006
Revised target completion date	9/15/2006

Tinton Falls School District  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Mahala F. Atchinson School Fire Alarm**  
**For the Year Ended June 30, 2013**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 38,093	\$ -	\$ 38,093	\$ 38,093
Bond proceeds and transfers	-	-	-	-
Contribution from private source	-	-	-	-
Transfer from capital reserve	85,033	-	85,033	85,033
Transfer from capital outlay	-	-	-	-
Total revenues	<u>123,126</u>	<u>-</u>	<u>123,126</u>	<u>123,126</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	-	-	-	-
Land and Improvements	-	-	-	-
Construction Services	119,306	-	119,306	123,126
Equipment purchases	-	-	-	-
Total expenditures	<u>119,306</u>	<u>-</u>	<u>119,306</u>	<u>123,126</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>3,820</u>	\$ <u>-</u>	\$ <u>3,820</u>	\$ <u>-</u>

**Additional project information:**

Project Number	5185-030-04-1000
Grant Date	4/28/2005
Bond Authorization Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	\$95,233
Revised Authorized Cost	\$123,126

Percentage Increase over Original Authorized Cost	29.29%
Percentage completion	100%
Original target completion date	6/30/2006
Revised target completion date	12/31/2006

Tinton Falls School District  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Tinton Falls Middle School Fire Alarm**  
**For the Year Ended June 30, 2013**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 41,922	\$ -	\$ 41,922	\$ 41,922
Bond proceeds and transfers	-	-	-	-
Contribution from private source	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	<u>41,922</u>	<u>-</u>	<u>41,922</u>	<u>41,922</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	-	-	-	-
Land and Improvements	-	-	-	-
Construction Services	-	-	-	41,922
Equipment purchases	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,922</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 41,922</u>	<u>\$ -</u>	<u>\$ 41,922</u>	<u>\$ -</u>

**Additional project information:**

Project Number	5185-070-05-0BAV
Grant Date	
Bond Authorization Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	\$41,922
Revised Authorized Cost	\$41,922
Percentage Increase over Original Authorized Cost	0.00%
Percentage completion	0.00%
Original target completion date	N/A
Revised target completion date	6/30/2013



Tinton Falls School District  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Swimming River School Roof Projects**  
**For the Year Ended June 30, 2013**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ -	\$ -	\$ -	\$ -
Bond proceeds and transfers	-	-	-	-
Contribution from private source	-	-	-	-
Transfer from capital reserve	338,038	-	338,038	338,038
Transfer from capital outlay	-	-	-	-
Total revenues	<u>338,038</u>	<u>-</u>	<u>338,038</u>	<u>338,038</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	-	-	-	-
Land and Improvements	-	-	-	-
Construction Services	138,787	-	138,787	338,038
Equipment purchases	-	-	-	-
Total expenditures	<u>138,787</u>	<u>-</u>	<u>138,787</u>	<u>338,038</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>199,251</u>	\$ <u>-</u>	\$ <u>199,251</u>	\$ <u>-</u>

**Additional project information:**

Project Number	NA
Grant Date	NA
Bond Authorization Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	\$338,038
Revised Authorized Cost	\$338,038
Percentage Increase over Original Authorized Cost	0.00%
Percentage completion	41.06%
Original target completion date	N/A
Revised target completion date	6/30/2013

Tinton Falls School District  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Improvements to Mahala F. Atchison Elementary School**  
**For the Year Ended June 30, 2013**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 749,762	\$ 303,176	\$ 1,052,939	\$ 1,052,939
Bond proceeds and transfers	1,627,000		1,627,000	1,627,000
Contribution from private source	-	-	-	-
Transfer from capital reserve	777,165		777,165	777,165
Transfer from capital outlay	-	-	-	-
Total revenues	<u>3,153,927</u>	<u>303,176</u>	<u>3,457,104</u>	<u>3,457,104</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	130,183	17,449	147,632	147,632
Land and Improvements	-	-	-	-
Construction Services	1,744,222	740,492	2,484,714	2,484,714
Equipment purchases	-	-	-	-
Total expenditures	<u>1,874,405</u>	<u>757,941</u>	<u>2,632,346</u>	<u>2,632,346</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,279,522</u>	<u>\$ (454,765)</u>	<u>\$ 824,758</u>	<u>\$ 824,758</u>

**Additional project information:**

Project Number	5185-030-10-1001
Grant Date	9/2/2010
Bond Authorization Date	2/1/2011
Bonds Authorized	\$1,627,635
Bonds Issued	\$1,627,000
Original Authorized Cost	\$4,008,000
Revised Authorized Cost	\$4,008,000
Percentage Increase over Original Authorized Cost	0.00%
Percentage completion	76.14%
Original target completion date	N/A
Revised target completion date	6/30/2013

Tinton Falls School District  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Improvements to Swimming River Elementary School**  
**For the Year Ended June 30, 2013**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 657,247	\$ 364,788	\$ 1,022,035	\$ 1,022,035
Bond proceeds and transfers	1,336,480		1,336,480	1,336,480
Contribution from private source	-	-	-	-
Transfer from capital reserve	773,300		773,300	773,300
Transfer from capital outlay	-	-	-	-
Total revenues	<u>2,767,027</u>	<u>364,788</u>	<u>3,131,815</u>	<u>3,131,815</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	90,291	27,633	117,924	117,924
Land and Improvements	-	-	-	-
Construction Services	1,552,827	884,337	2,437,164	2,437,164
Equipment purchases	-	-	-	-
Total expenditures	<u>1,643,118</u>	<u>911,970</u>	<u>2,555,088</u>	<u>2,555,088</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,123,909</u>	<u>\$ (547,182)</u>	<u>\$ 576,727</u>	<u>\$ 576,727</u>
<b>Additional project information:</b>				
Project Number	5185-050-10-1002			
Grant Date	9/2/2010			
Bond Authorization Date	2/1/2011			
Bonds Authorized	\$1,336,780			
Bonds Issued	\$1,336,480			
Original Authorized Cost	\$3,516,800			
Revised Authorized Cost	\$3,516,800			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage completion	81.58%			
Original target completion date	N/A			
Revised target completion date	6/30/2013			

Tinton Falls School District  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Improvements to Swimming River Elementary School**  
**For the Year Ended June 30, 2013**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 220,492	\$ 240	\$ 220,732	\$ 220,732
Bond proceeds and transfers	541,320		541,320	541,320
Contribution from private source	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	<u>761,812</u>	<u>240</u>	<u>762,052</u>	<u>762,052</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	50,054	600	50,654	50,654
Land and Improvements	-	-	-	-
Construction Services	501,178		501,178	501,178
Equipment purchases	-	-	-	-
Total expenditures	<u>551,232</u>	<u>600</u>	<u>551,832</u>	<u>551,832</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>210,580</u>	\$ <u>(360)</u>	\$ <u>210,220</u>	\$ <u>210,220</u>

**Additional project information:**

Project Number	5185-050-10-1005
Grant Date	9/2/2010
Bond Authorization Date	2/1/2011
Bonds Authorized	\$541,320
Bonds Issued	\$541,320
Original Authorized Cost	\$902,200
Revised Authorized Cost	\$902,200

Percentage Increase over Original Authorized Cost	0.00%
Percentage completion	72.41%
Original target completion date	N/A
Revised target completion date	6/30/2013

**Tinton Falls School District**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Improvements to Tinton Falls Middle School**  
**For the Year Ended June 30, 2013**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 240,947	\$ 183,777	\$ 424,724	\$ 424,724
Bond proceeds and transfers	1,061,200	-	1,061,200	1,061,200
Contribution from private source	-	-	-	-
Transfer from capital reserve	30,800	-	30,800	30,800
Transfer from capital outlay	-	-	-	-
Total revenues	<u>1,332,947</u>	<u>183,777</u>	<u>1,516,724</u>	<u>1,516,724</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	39,100	4,652	43,752	43,752
Land and Improvements	-	-	-	-
Construction Services	563,268	454,790	1,018,058	1,018,058
Equipment purchases	-	-	-	-
Total expenditures	<u>602,368</u>	<u>459,442</u>	<u>1,061,810</u>	<u>1,061,810</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>730,579</u>	\$ <u>(275,665)</u>	\$ <u>454,914</u>	\$ <u>454,914</u>

**Additional project information:**

Project Number	5185-070-10-1003
Grant Date	9/2/2010
Bond Authorization Date	2/1/2011
Bonds Authorized	\$1,061,200
Bonds Issued	\$1,061,200
Original Authorized Cost	\$1,820,000
Revised Authorized Cost	\$1,820,000

Percentage Increase over Original Authorized Cost	0.00%
Percentage completion	70.01%
Original target completion date	N/A
Revised target completion date	6/30/2013

Tinton Falls School District  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Improvements to Administration Building**  
**For the Year Ended June 30, 2013**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ -	\$ -	\$ -	\$ -
Bond proceeds and transfers	202,000	-	202,000	202,000
Contribution from private source	-	-	-	-
Transfer from capital reserve	137,500	-	137,500	137,500
Transfer from capital outlay	-	-	-	-
Total revenues	<u>339,500</u>	<u>-</u>	<u>339,500</u>	<u>339,500</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	13,685	302	13,987	13,987
Land and Improvements	-	-	-	-
Construction Services	253,854	13,187	267,041	267,041
Equipment purchases	-	-	-	-
Total expenditures	<u>267,539</u>	<u>13,489</u>	<u>281,028</u>	<u>281,028</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>71,961</u>	\$ <u>(13,489)</u>	\$ <u>58,472</u>	\$ <u>58,472</u>

**Additional project information:**

Project Number	5185-070-10-1003
Grant Date	9/2/2010
Bond Authorization Date	2/1/2011
Bonds Authorized	\$202,000
Bonds Issued	\$202,000
Original Authorized Cost	\$339,500
Revised Authorized Cost	\$339,500
Percentage Increase over Original Authorized Cost	0.00%
Percentage completion	82.78%
Original target completion date	N/A
Revised target completion date	6/30/2013

## **PROPRIETARY FUNDS**

**Tinton Falls School District**  
**Combining Statement of Net Position**  
**Enterprise Funds**  
**June 30, 2013**

	<b>Food Service Program</b>	<b>Time + Program</b>	<b>Kindergarten Enrichment Program</b>	<b>Totals</b>
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	73,264	402,766	452,047	928,077
Accounts Receivable:				
State	946			946
Federal	24,692			24,692
Interfund-Accounts Receivable	52,175			52,175
Inventory	4,108			4,108
Total Current Assets	<u>155,185</u>	<u>402,766</u>	<u>452,047</u>	<u>1,009,998</u>
Noncurrent Assets:				
Capital Assets:				
Equipment	31,316			31,316
Less Accumulated Depreciation	<u>(22,966)</u>			<u>(22,966)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>8,350</u>	<u>-</u>	<u>-</u>	<u>8,350</u>
Total Assets	<u><u>163,535</u></u>	<u><u>402,766</u></u>	<u><u>452,047</u></u>	<u><u>1,018,348</u></u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	30,243		560	30,803
Deferred Revenue	7,595		36,325	43,920
Total Current Liabilities	<u>37,838</u>	<u>-</u>	<u>36,885</u>	<u>74,723</u>
Total Liabilities	<u>37,838</u>	<u>-</u>	<u>36,885</u>	<u>74,723</u>
<b>NET POSITION</b>				
Invested in Capital Assets Net of Related Debt	8,350			8,350
Unrestricted	117,347	402,766	415,162	935,275
Total Net Position	<u><u>125,697</u></u>	<u><u>402,766</u></u>	<u><u>415,162</u></u>	<u><u>943,625</u></u>



Tinton Falls School District  
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position  
Enterprise Funds  
For the Year Ended June 30, 2013

	Food Service Program	Time + Program	Kindergarten Enrichment Program	Totals
Operating Revenues:				
Charges for Services:				
Daily Sales - Reimbursable Programs	181,580			181,580
Daily Sales - Non-Reimbursable Programs	106,974			106,974
Miscellaneous	20,469	243,012	163,015	426,496
Total Operating Revenues	309,023	243,012	163,015	715,050
Operating Expenses:				
Cost of Sales	215,260			215,260
Labor	177,034	128,649	80,069	385,752
Supplies and Materials	34,531	2,946	3,367	40,844
Employee Benefits	10,795	24,231	14,068	49,094
Miscellaneous Expense	14,001	2,190	3,450	19,641
Depreciation	1,044			1,044
Total Operating Expenses	452,665	158,016	100,954	711,635
Operating Income (Loss)	(143,642)	84,996	62,061	3,415
Non-operating Revenues (Expenses):				
State Sources:				
State School Lunch Program	4,712			4,712
Federal Sources:				
National School Lunch Program	122,355			122,355
Food Distribution Program	26,304			26,304
Total Non-operating Revenues (Expenses)	153,371	-	-	153,371
Income (Loss) Before Contributions & Transfers	9,729	84,996	62,061	156,786
Transfers In (Out)				-
Change in Net Position	9,729	84,996	62,061	156,786
Total Net Position - Beginning	115,968	317,770	353,101	786,839
Total Net Position—Ending	125,697	402,766	415,162	943,625

**Tinton Falls School District**  
**Combining Statement of Cash Flows**  
**Enterprise Funds**  
**For the Year Ended June 30, 2013**

	Food Service Program	Time + Program	Kindergarten Enrichment Program	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Customers	309,031	243,012	166,840	718,883
Payments to employees		(152,880)	(93,577)	(246,457)
Payments for Miscellaneous Expenses	(14,001)	(5,136)	(6,817)	(25,954)
Payments to Food Service Management Company	(477,751)			(477,751)
Net Cash Provided by (Used for) Operating Activities	(182,721)	84,996	66,446	(31,279)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
State Sources	3,986			3,986
Federal Sources	129,493			129,493
Local Sources	(31,025)			(31,025)
Net Cash Provided by (Used for) Non-Capital Financing Activities	102,454	-	-	102,454
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of Capital Assets				-
Net Cash Provided by (Used for) Capital Related Financing Activities	-	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	(80,267)	84,996	66,446	71,175
Balances—Beginning of Year	153,531	317,770	385,601	856,902
Balances—End of Year	73,264	402,766	452,047	928,077
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>				
Operating Income (Loss)	(143,642)	84,996	62,061	3,415
Adjustments to reconcile operating income (loss) to net cash provided by (Used for) operating activities:				
Depreciation	1,044			1,044
Increase (Decrease) in Deferred Revenue	8		3,825	3,833
(Increase) Decrease in Inventory	2,249			2,249
Increase (Decrease) in Accounts Payable	(42,380)		560	(41,820)
Total Adjustments	(39,079)	-	4,385	(34,694)
Net Cash Provided by (Used for) Operating Activities	(182,721)	84,996	66,446	(31,279)

**FIDUCIARY FUND**

Tinton Falls School District  
Combining Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2013

	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	48,523
Total assets	<u>48,523</u>
<b>LIABILITIES</b>	
Payable to student groups	42,460
Payroll deductions and withholdings	<u>6,063</u>
Total liabilities	<u>48,523</u>
<b>NET POSITION</b>	<u><u>-</u></u>

**Tinton Falls School District  
Combining Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2013**

N/A

Tinton Falls School District  
Student Activity Agency Fund  
Schedule of Receipts and Disbursements  
For the Year Ended June 30, 2013

	Balance July 1, 2012	Cash Receipts	Cash Disbursed	Balance June 30, 2013
ELEMENTARY SCHOOLS:				
Atchinson	17,992	7,745	4,165	21,572
Swimming River	8,016	5,301	3,680	9,637
Tinton Falls	10,830	20,225	19,804	11,251
Tinton Falls Athletic Fund	-	9,282	9,282	-
	<u>36,838</u>	<u>42,553</u>	<u>36,931</u>	<u>42,460</u>

Tinton Falls School District  
Payroll Agency Fund  
Schedule of Receipts and Disbursements  
For the Year Ended June 30, 2013

	Balance July 1, 2012	Cash Receipts	Cash Disbursed	Balance June 30, 2013
Net Payroll	3	8,687,695	8,687,695	3
Payroll Deductions and Withholdings	7,374	6,429,808	6,431,122	6,060
	<u>7,377</u>	<u>15,117,503</u>	<u>15,118,817</u>	<u>6,063</u>

<b>LONG-TERM DEBT</b>
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Tinton Falls School District  
General Long Term Debt Account Group  
Statement of Serial Bonds  
June 30, 2013

ISSUE	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest Rate	Balance July 1, 2012	Issued	Retired	Balance June 30, 2013
School Refunding Bonds of 2004	7/15/2004	\$ 13,295,000	10/15/2013	1,215,000	5.000%				
			10/15/2014	1,265,000	5.000%				
			10/15/2015	1,285,000	5.000%				
			10/15/2016	870,000	5.000%	5,790,000	1,155,000	4,635,000	
School Refunding Bonds of 2011	7/7/2011	\$ 2,150,000	3/15/2014	25,000	3.000%				
			3/15/2015	225,000	4.000%				
			3/15/2016	235,000	4.000%				
			3/15/2017	240,000	4.000%				
			3/15/2018	255,000	5.000%				
			3/15/2019	265,000	5.000%				
			3/15/2020	270,000	5.000%				
3/15/2021	270,000	5.000%							
3/15/2022	265,000	3.250%							
						2,085,000		35,000	2,050,000

Tinton Falls School District  
General Long Term Debt Account Group  
Statement of Serial Bonds  
June 30, 2013

ISSUE	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2012	Issued	Retired	Balance June 30, 2013
School Bonds of 2011	2/1/2011	\$ 4,768,000	3/15/2014	175,000	3.000%				
			3/15/2015	185,000	3.000%				
			3/15/2016	190,000	3.000%				
			3/15/2017	195,000	3.000%				
			3/15/2018	205,000	3.000%				
			3/15/2019	210,000	3.000%				
			3/15/2020	220,000	3.250%				
			3/15/2021	225,000	3.250%				
			3/15/2022	240,000	3.500%				
			3/15/2023	245,000	4.000%				
			3/15/2024	255,000	4.000%				
			3/15/2025	265,000	4.000%				
			3/15/2026	275,000	4.000%				
			3/15/2027	285,000	4.000%				
			3/15/2028	300,000	4.125%				
			3/15/2029	310,000	4.250%				
			3/15/2030	325,000	4.250%				
			3/15/2031	328,000	4.250%				
						4,603,000		170,000	4,433,000
						12,478,000		1,360,000	11,118,000

Tinton Falls School District  
General Long Term Debt Account Group  
Statement of Obligations under Capital Leases  
June 30, 2013

SERIES	Amount Outstanding on July 1, 2012	Issued in Current Year	Retired in Current Year	Amount Outstanding on June 30, 2013
Xerox Copiers	45,808	136,439	45,808	136,439
TOTAL	45,808	136,439	45,808	136,439

Tinton Falls School District  
Budgetary Comparison Schedule  
Debt Service Fund  
For the Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	1,827,908	-	1,827,908	1,827,908	-
State Sources:					
Debt Service Aid Type II	49,382	-	49,382	49,382	-
Miscellaneous Revenue	-	-	-	-	-
<b>Total Revenues</b>	<b>1,877,290</b>	<b>-</b>	<b>1,877,290</b>	<b>1,877,290</b>	<b>-</b>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	521,103	-	521,103	521,103	-
Redemption of Principal	1,360,000	-	1,360,000	1,360,000	-
<b>Total Regular Debt Service</b>	<b>1,881,103</b>	<b>-</b>	<b>1,881,103</b>	<b>1,881,103</b>	<b>-</b>
<b>Total expenditures</b>	<b>1,881,103</b>	<b>-</b>	<b>1,881,103</b>	<b>1,881,103</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(3,813)</b>	<b>-</b>	<b>(3,813)</b>	<b>(3,813)</b>	<b>-</b>
Other Financing Sources:					
Operating Transfers In:					
Interest Earned in Capital Projects Fund	-	-	-	5,207	5,207
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures</b>	<b>(3,813)</b>	<b>-</b>	<b>(3,813)</b>	<b>1,394</b>	<b>5,207</b>
Fund Balance, July 1	53,375	-	53,375	53,375	
Fund Balance, June 30	<u>49,562</u>	<u>-</u>	<u>49,562</u>	<u>54,769</u>	<u>5,207</u>

## STATISTICAL SECTION

BOROUGH OF TINTON FALLS SCHOOL DISTRICT  
Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)  
Unaudited

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental Activities</b>										
Invested in Capital Assets, Net of Related Debt	4,048,954	4,517,972	5,938,317	6,894,281	7,547,803	8,362,663	9,983,688	8,045,100	12,239,035	15,185,862
Restricted	5,182,126	6,945,594	8,532,105	9,972,636	11,007,314	10,619,042	9,880,083	14,666,358	13,389,529	12,508,176
Unrestricted	1,196,692	866,042	370,562	10,840	107,311	560,969	110,138	(39,857)	48,971	86,514
Total Governmental Activities Net Position	10,427,772	12,329,608	14,840,984	16,877,757	18,662,428	19,542,674	19,773,909	22,671,601	25,677,535	27,780,552
<b>Business-type Activities</b>										
Invested in Capital Assets, Net of Related Debt	-	-	-	-	-	-	-	-	9,394	8,350
Restricted	116,775	159,516	243,527	322,198	390,501	474,656	580,555	689,404	777,445	935,275
Unrestricted	-	-	-	-	-	-	-	-	-	-
Total Business-type Activities Net Position	116,775	159,516	243,527	322,198	390,501	474,656	580,555	689,404	786,839	943,625
<b>District-wide</b>										
Invested in Capital Assets, Net of Related Debt	4,048,954	4,517,972	5,938,317	6,894,281	7,547,803	8,362,663	9,983,688	8,045,100	12,248,429	15,194,212
Restricted	5,182,126	6,945,594	8,532,105	9,972,636	11,007,314	10,619,042	9,880,083	14,666,358	13,389,529	12,508,176
Unrestricted	1,313,467	1,025,558	614,089	333,038	497,812	1,035,625	690,693	649,547	826,416	1,021,789
Total District Net Position	10,544,547	12,489,124	15,084,511	17,289,955	19,052,929	20,017,330	20,354,464	23,361,005	26,464,374	28,724,177

Source: District Audits

**BOROUGH OF TINTON FALLS SCHOOL DISTRICT**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*  
**Unaudited**

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
Governmental Activities:										
Instruction:										
Regular	5,835,589	7,026,123	6,901,858	7,138,074	7,314,967	7,663,566	7,438,363	7,155,788	7,657,700	7,727,613
Special Education	1,689,933	1,750,651	1,952,497	2,131,703	2,366,441	2,462,588	2,059,213	1,869,541	2,268,751	2,163,019
Other Special Instruction	231,557	262,310	245,636	317,976	379,837	374,905	317,864	279,564	373,591	406,369
Other Instruction	95,020	92,163	97,548	104,979	113,457	111,262	124,842	112,936	115,722	117,308
Support Services:										
Tuition	431,568	1,018,136	932,772	728,272	666,895	554,227	544,104	538,468	457,644	540,165
Student & Instruction Related Services	2,428,106	2,242,653	2,275,081	2,442,347	2,648,756	2,888,643	2,905,887	2,762,055	2,903,659	3,309,953
General Administrative Services	422,756	615,421	608,983	605,198	617,402	589,948	582,216	634,441	541,409	532,366
School Administrative Services	987,730	989,271	795,663	799,893	822,457	887,085	908,499	923,854	942,805	908,650
Central Services & Admin. Info. Technology			296,097	269,227	329,273	326,551	389,127	384,650	430,472	385,938
Plant Operations and Maintenance	1,523,574	1,710,736	1,709,152	1,921,887	1,936,764	1,985,540	1,843,435	1,745,891	1,669,335	1,713,986
Pupil Transportation	1,724,329	1,888,987	1,698,862	1,723,554	1,845,817	1,929,737	1,853,934	1,712,608	1,639,865	1,542,468
Business and Other Support Services	233,029	19,711	-							
Unallocated Benefits	3,291,143	3,455,752	3,842,717	4,564,022	4,700,705	4,352,444	4,465,189	4,517,516	4,993,625	6,047,880
Capital outlay-depreciable		1,171,587	96,910	194,514	194,514		45,888	10,169	12,942	17,762
Interest on Long-term Debt	1,055,219	611,568	864,622	729,938	683,791	628,340	568,946	569,882	536,127	507,278
Unallocated Depreciation	597,868	648,491	634,267	688,281	705,673	725,378	779,482	813,818	934,218	1,147,000
Total Governmental Activities Expenses	20,548,421	23,503,480	22,952,665	24,164,751	25,326,749	25,480,214	24,826,589	24,031,181	25,467,865	27,067,755
Business-type Activities:										
Food Service	424,714	443,041	462,949	451,519	457,132	466,979	457,353	444,806	487,597	452,665
Time+	215,114	161,454	180,683	181,478	159,006	155,410	151,532	167,828	144,880	158,016
Kindergarten Enrichment Program			88,498	83,920	95,545	104,650	94,042	89,080	98,501	100,954
Total Business-type Activities Expenses	639,828	604,495	732,130	716,917	711,683	727,039	702,927	701,714	731,978	711,635
Total District Expenses	21,188,249	24,107,955	23,684,795	24,881,668	26,038,432	26,207,253	25,529,516	24,732,895	26,199,843	27,779,390
<b>Program Revenues</b>										
Governmental Activities:										
Operating and Capital Grants and Contributions	1,632,998	1,756,665	1,816,327	1,758,617	1,890,794	1,508,265	1,459,399	2,691,591	2,520,762	2,640,958
Total Governmental Activities Program Revenues	1,632,998	1,756,665	1,816,327	1,758,617	1,890,794	1,508,265	1,459,399	2,691,591	2,520,762	2,640,958
Business-type Activities:										
Charges for Services:										
Food Service	299,837	307,769	366,895	365,812	362,350	373,031	363,976	346,008	348,374	309,023
Operating Grants and Contributions	124,894	116,315	108,083	95,513	97,248	105,729	114,424	124,028	138,602	153,371
Kindergarten Enrichment			117,263	131,349	132,520	154,829	155,968	158,418	157,990	163,015
Time+	194,965	206,818	205,819	199,119	181,697	174,326	174,468	182,109	184,447	243,012
Total Business-type Activities Program Revenues	619,696	630,902	798,080	791,793	773,815	807,915	808,826	810,563	829,413	868,421
Total District Program Revenues	2,252,694	2,387,567	2,614,387	2,550,410	2,664,609	2,316,180	2,268,225	3,502,154	3,350,175	3,509,379

**BOROUGH OF TINTON FALLS SCHOOL DISTRICT**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*  
**Unaudited**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(18,915,423)	(21,746,795)	(21,136,338)	(22,406,134)	(23,435,955)	(23,971,949)	(23,367,190)	(21,339,590)	(22,947,103)	(24,426,797)
Business-type Activities	(20,132)	26,407	65,930	74,876	62,132	80,876	105,899	108,849	97,435	156,786
<b>Total District-wide Net Expense</b>	<b>(18,935,555)</b>	<b>(21,720,388)</b>	<b>(21,070,408)</b>	<b>(22,331,258)</b>	<b>(23,373,823)</b>	<b>(23,891,073)</b>	<b>(23,261,291)</b>	<b>(21,230,741)</b>	<b>(22,849,668)</b>	<b>(24,270,011)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes	14,324,771	16,421,264	16,172,448	16,576,450	17,282,133	17,580,444	17,680,228	18,387,437	18,755,185	19,016,660
Taxes Levied for Debt Service	2,037,798	1,891,637	1,910,667	1,745,469	1,781,871	1,723,472	1,527,327	1,535,406	1,880,554	1,827,908
Unrestricted Federal and State Aid	4,768,963	4,876,823	5,128,948	5,330,029	5,563,284	5,146,911	4,134,280	4,201,864	5,065,716	5,541,513
Tuition Received	74,146	57,611	108,374	167,380	134,678	100,582	136,707	34,161	93,011	58,954
Interest on Investments	44,466	146,666	314,282	589,576	430,984	130,048	39,121	26,928	14,410	8,160
Miscellaneous Income	386,214	390,764	31,076	40,379	11,742	81,683	65,459	51,466	89,999	71,166
Loss on refunding of long-term debt		(120,000)				106,032			54,162	
Capital Asset Adjustment				(18,306)	(167,895)		15,303			5,452
Gain / (Loss) on Disposal of Assets	(3,993)	(16,334)	(18,081)	(3,795)	(6,171)	(16,977)				
<b>Transfers</b>										
<b>Total Governmental Activities</b>	<b>21,632,365</b>	<b>23,646,631</b>	<b>23,647,714</b>	<b>24,427,182</b>	<b>25,130,626</b>	<b>24,852,195</b>	<b>23,598,425</b>	<b>24,237,282</b>	<b>25,953,037</b>	<b>26,529,813</b>
Business-type Activities:										
Transfers		16,334	18,081	3,795	6,171	3,279				
<b>Total Business-type Activities</b>	<b>-</b>	<b>16,334</b>	<b>18,081</b>	<b>3,795</b>	<b>6,171</b>	<b>3,279</b>	<b>-</b>	<b>-</b>	<b>25,953,037</b>	<b>26,529,813</b>
<b>Total District-wide</b>	<b>21,632,365</b>	<b>23,664,965</b>	<b>23,665,795</b>	<b>24,430,977</b>	<b>25,136,797</b>	<b>24,855,474</b>	<b>23,598,425</b>	<b>24,237,282</b>	<b>25,953,037</b>	<b>26,529,813</b>
<b>Change in Net Position</b>										
Governmental Activities	2,716,942	1,901,836	2,511,376	2,021,048	1,694,671	880,246	231,235	2,897,692	3,005,934	2,103,016
Business-type Activities	(20,132)	42,741	84,011	78,671	68,303	84,155	105,899	108,849	97,435	156,786
<b>Total District</b>	<b>2,696,810</b>	<b>1,944,577</b>	<b>2,595,387</b>	<b>2,099,719</b>	<b>1,762,974</b>	<b>964,401</b>	<b>337,134</b>	<b>3,006,541</b>	<b>3,103,369</b>	<b>2,259,802</b>

Note: This schedule only covers the year subsequent to the implementation of GASB #34

Source: District Audits



**BOROUGH OF TINTON FALLS SCHOOL DISTRICT**  
**Fund Balances Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*  
**Unaudited**

	2004	2005	2006	2007	Fiscal Year Ending June 30, 2008	2009	2010	2011	2012	2013
<b>General Fund</b>										
Reserved	3,435,639	5,409,169	6,727,809	8,448,729	9,518,854	9,205,113	8,543,862			
Unreserved	1,639,188	1,228,997	863,981	636,579	754,923	1,209,313	475,869			
Restricted								5,602,013	6,932,097	6,815,872
Assigned								2,763,846	2,530,453	3,055,392
Unassigned								703,474	674,684	741,512
<b>Total General fund</b>	<b>5,074,827</b>	<b>6,638,166</b>	<b>7,591,790</b>	<b>9,085,308</b>	<b>10,273,777</b>	<b>10,414,426</b>	<b>9,019,731</b>	<b>9,069,333</b>	<b>10,137,234</b>	<b>10,612,776</b>
<b>All Other Governmental Funds</b>										
Reserved	293,836	30,797	196,171	88,650						
Unreserved, Reported in:										
Special Revenue Fund	(2,934)	(2,934)	(2,934)	(2,934)						
Capital Projects Fund	1,444,767	1,393,406	1,446,785	1,332,264	1,420,914	1,401,637	1,405,888			
Debt Service	10,818	115,156	164,294	105,927	67,546	12,292	1,681			
Restricted, Reported in:										
Capital Projects Fund								6,296,540	3,873,604	2,582,143
Debt Service Fund								3,959	53,375	54,769
<b>Total All Other Governmental Funds</b>	<b>1,746,487</b>	<b>1,536,425</b>	<b>1,804,296</b>	<b>1,523,907</b>	<b>1,488,460</b>	<b>1,413,929</b>	<b>1,407,569</b>	<b>6,300,489</b>	<b>3,926,979</b>	<b>2,636,912</b>

Source: District Audits

## BOROUGH OF TINTON FALLS SCHOOL DISTRICT

 Governmental Fund Expenditures by Function  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)  
 Unaudited

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Tax Levy	16,362,569	18,313,101	18,083,115	18,321,919	19,084,004	19,303,916	19,207,555	19,922,843	20,635,739	20,844,588
Other Local Revenue	504,826	595,041	456,529	677,404	677,404	329,309	256,445	189,541	197,420	229,506
State Sources	5,223,923	5,563,896	5,993,138	6,344,483	6,549,403	5,710,103	4,740,322	5,998,111	8,801,088	7,295,646
Federal Sources	1,178,038	1,089,582	949,340	744,163	904,675	928,077	838,199	844,025	751,702	795,600
<b>Total Revenues</b>	<b>23,269,356</b>	<b>25,541,630</b>	<b>25,482,122</b>	<b>25,410,565</b>	<b>27,195,486</b>	<b>26,271,405</b>	<b>25,042,521</b>	<b>26,928,873</b>	<b>28,385,949</b>	<b>29,165,320</b>
<b>Expenditures</b>										
Instruction:										
Regular	5,755,125	6,943,799	6,748,640	6,895,405	7,185,127	7,536,311	7,333,207	7,079,836	7,581,154	7,700,597
Special	1,689,933	1,750,651	1,952,467	2,131,103	2,366,441	2,462,588	2,059,213	1,869,541	2,286,751	2,163,019
Other Special Instruction	231,557	262,310	245,636	317,976	379,837	374,905	317,664	279,564	373,591	406,369
Other Instruction	85,020	92,163	97,548	104,979	113,457	111,262	124,842	112,936	115,722	117,308
School-Sponsored/Other Instructional Support Services:										
Instruction - Tuition	431,568	1,018,136	932,772	728,272	666,895	554,227	544,104	521,532	443,585	540,165
Student Related Services	2,428,106	2,242,653	2,275,081	2,442,347	2,506,861	2,909,608	2,980,152	2,785,430	2,883,712	3,309,953
Instructional Staff										
General Administration	566,412	615,421	604,928	603,607	616,915	589,948	582,216	634,441	541,409	512,028
School Administration	1,037,924	1,093,176	795,663	799,893	822,457	887,085	908,499	923,854	942,805	908,650
Central Services & Admin. Info. Technology			296,097	268,227	329,273	326,551	389,127	384,650	430,472	385,938
Operations and Maintenance	1,520,997	1,708,796	1,822,359	1,919,884	1,934,547	1,940,740	1,841,218	1,736,765	1,646,346	1,749,202
Student Transportation	1,724,329	1,868,887	1,698,862	1,862,169	1,845,817	1,929,737	1,853,934	1,712,808	1,639,866	1,542,468
Business and Other Support Services	233,029	19,711								
Employee Benefits	3,291,143	3,455,752	3,794,652	4,421,489	4,668,448	4,318,657	4,483,265	4,459,981	5,072,247	6,004,770
Transfer to Charter School									14,060	
Capital Outlay	462,930	1,237,287	1,000,549	469,373	306,043	405,296	1,234,000	2,443,102	3,095,904	2,900,166
Debt Service:										
Principal	1,070,000	1,325,000	1,185,000	1,185,000	1,200,000	1,200,000	1,210,000	1,270,000	1,345,000	1,360,000
Interest and Other Charges	1,063,860	682,221	782,223	740,151	894,175	641,395	592,135	521,165	575,123	521,103
<b>Total Governmental Fund Expenditures</b>	<b>21,802,033</b>	<b>24,335,863</b>	<b>24,242,545</b>	<b>24,990,975</b>	<b>26,038,293</b>	<b>26,189,310</b>	<b>26,443,576</b>	<b>26,737,405</b>	<b>28,981,746</b>	<b>30,121,736</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,667,323	1,205,667	1,239,577	419,590	1,159,193	83,095	(1,401,055)	191,468	(595,797)	(956,416)
<b>Other Financing Sources (Uses)</b>										
Operating Transfers In	10,818	22,602	662,398		10,757		533,184	1,928,678	5,004	10,659
Operating Transfers Out	(14,811)	(38,936)	(880,479)	(3,795)	(16,928)	(16,977)	(533,184)	(1,943,614)	(5,004)	(5,207)
Proceeds from Borrowing								4,768,000	34,014	
Payment to refunding escrow									(743,836)	
Capital Leases (non-budgeted)	356,950	163,944								136,439
<b>Total Other Financing Sources (Uses)</b>	<b>352,957</b>	<b>147,610</b>	<b>(18,081)</b>	<b>(3,795)</b>	<b>(6,171)</b>	<b>(16,977)</b>	<b>(1,401,055)</b>	<b>4,751,064</b>	<b>(709,822)</b>	<b>141,891</b>
<b>Net Changes in Fund Balance</b>	<b>2,020,280</b>	<b>1,363,277</b>	<b>1,221,496</b>	<b>415,795</b>	<b>1,153,022</b>	<b>66,118</b>	<b>(1,401,055)</b>	<b>4,942,532</b>	<b>(1,305,619)</b>	<b>(814,525)</b>
Debt Service as a percentage of noncapital expenditures	10.09%	8.69%	8.51%	7.85%	7.36%	7.14%	7.11%	7.97%	7.42%	6.91%

Source: District records.

Note: Noncapital expenditures are total expenditures less capital outlay.

Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.

Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

## BOROUGH OF TINTON FALLS SCHOOL DISTRICT

General Fund Other Local Revenue by Source  
 Last Ten Fiscal Years  
 Unaudited

<u>Fiscal Year Ended June 30,</u>	<u>Tuition</u>	<u>Interest Income</u>	<u>Sale of Land</u>	<u>Miscellaneous</u>	<u>Total</u>
2004	74,146	44,466	301,500	84,714	504,826
2005	57,611	146,666		390,764	595,041
2006	108,374	314,282		33,873	456,529
2007	167,380	506,780		33,186	707,346
2008	134,678	420,227		77,663	632,568
2009	100,582	130,048		98,679	329,309
2010	136,707	38,975		65,459	241,141
2011	34,161	24,015		51,486	109,662
2012	93,011	9,406		56,311	158,728
2013	58,984	8,160		65,930	133,074

Source: District records.

Tinton Falls School District  
Assessed Value and Actual Value of Taxable Property,  
Last Ten Fiscal Years  
Unaudited

Borough of Tinton Falls:

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qlrm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax- Exempt Property	Public Utilities	Net Valuation Taxable	Total Direct School Tax Rate *	Estimated Actual (County Equalized Value)
2004	34,382,304	853,176,443	3,368,100	275,500	191,818,300	16,401,300	88,104,800	1,187,326,747	0	2,262,675	1,189,589,422	1.498	2,134,674,218
2005	36,489,704	897,285,943	3,108,800	209,000	190,298,500	16,401,300	99,635,200	1,243,428,447	0	1,860,866	1,245,289,313	1.412	2,501,717,012
2006	42,013,900	908,550,000	2,938,700	198,100	189,808,700	17,596,900	97,242,400	1,259,348,700	0	1,546,453	1,260,895,153	1.411	2,542,770,410
2007	41,155,900	930,617,300	2,938,700	198,100	191,731,300	15,274,600	97,242,400	1,279,158,300	0	1,444,988	1,280,603,288	1.447	2,985,510,952
2008	119,373,500	2,097,157,300	6,307,800	239,200	439,797,200	36,222,500	219,667,600	2,818,765,100	0	3,722,469	2,922,487,599	0.644	3,277,610,613
2009	96,684,100	2,096,852,400	6,307,800	239,200	520,712,800	38,601,400	242,240,100	3,001,637,300	0	4,276,318	3,005,914,118	0.623	3,241,270,014
2010	96,028,200	2,061,510,100	5,773,200	235,700	553,538,700	38,136,900	239,172,900	2,894,395,700	0	4,447,519	2,998,843,219	0.648	3,167,733,583
2011	81,442,000	1,979,718,700	5,732,500	229,100	526,100,300	35,757,400	239,172,900	2,868,152,900	0	4,457,320	2,872,610,220	0.703	3,094,264,966
2012	73,089,000	1,895,100,800	5,732,500	229,200	509,307,800	32,164,200	239,172,900	2,754,796,400	0	3,862,979	2,758,659,379	0.739	2,911,474,837
2013	76,574,400	1,894,145,300	5,732,500	229,200	506,907,300	32,164,200	239,172,900	2,754,925,900	0	3,862,979	2,758,788,779	0.763	2,863,000,331

Source: District records Tax list summary, Municipal Tax Assessor and Monmouth County Abstract of Rates

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

R Denotes revaluation.

Tinton Falls School District  
Assessed Value and Actual Value of Taxable Property,  
Last Ten Fiscal Years  
Unaudited

Shrewsbury Township:

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax- Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2004	\$0	\$9,103,800	\$0	\$0	\$0	\$0	\$18,134,300	\$27,238,100	0	50,501	\$27,288,601	1.517	55,121,467
2005	\$0	\$9,103,800	\$0	\$0	\$0	\$0	\$18,134,300	\$27,238,100	0	66,336	\$27,304,436	1.709	63,030,044
2006	\$0	\$9,103,800	\$0	\$0	\$0	\$0	\$18,134,300	\$27,238,100	0	47,361	\$27,285,461	1.826	63,041,570
2007	\$0	\$9,103,800	\$0	\$0	\$0	\$0	\$18,134,300	\$27,238,100	0	40,437	\$27,278,537	1.946	75,297,009
2008	\$0	\$24,964,700	\$0	\$0	\$0	\$0	\$47,611,500	\$72,576,200	0	140,814	\$72,717,014	0.671	79,818,479
2009	\$0	\$24,964,700	\$0	\$0	\$0	\$0	\$47,611,500	\$72,576,200	0	149,178	\$72,725,378	0.670	79,314,947
2010	\$0	\$24,964,700	\$0	\$0	\$0	\$0	\$47,606,300	\$72,571,000	0	191,912	\$72,762,912	0.663	75,611,792
2011	\$0	\$24,964,700	\$0	\$0	\$0	\$0	\$47,606,300	\$72,571,000	0	191,912	\$72,762,912	0.637	69,659,242
2012	\$0	\$20,494,700	\$0	\$0	\$0	\$0	\$36,002,600	\$56,497,300	0	358,313	\$56,855,613	0.779	53,374,413
2013	\$0	\$20,494,700	\$0	\$0	\$0	\$0	\$36,002,600	\$56,497,300	0	358,313	\$56,855,613	0.776	60,896,723

Source: District records Tax list summary, Municipal Tax Assessor and Monmouth County Abstract of Rates

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

R Denotes revaluation.

Tinton Falls School District  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years  
(rate per \$100 of assessed value)  
Unaudited

Borough of Tinton Falls:

Fiscal Year Ended June 30,	Tinton Falls School District				Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>		Total Direct	Monmouth Regional School District				
		Local School District	Tinton Falls Borough		Library/Other	Monmouth County			
2004	1.311	0.187		1.498	1.498	0.725	0.611	0.579	3.413
2005	1.266	0.146		1.412	1.412	0.793	0.611	0.600	3.416
2006	1.262	0.149		1.411	1.411	0.797	0.785	0.597	3.590
2007	1.333	0.114		1.447	1.447	0.824	0.785	0.627	3.683
R 2008	0.596	0.058		0.644	0.644	0.369	0.383	0.283	1.679
2009	0.569	0.054		0.623	0.623	0.336	0.410	0.277	1.646
2010	0.592	0.056		0.648	0.648	0.344	0.416	0.285	1.693
2011	0.649	0.054		0.703	0.703	0.366	0.439	0.300	1.808
2012	0.672	0.067		0.739	0.739	0.409	0.464	0.305	1.917
2013	0.693	0.070		0.763	0.763	0.406	0.477	0.314	1.960

Township of Shrewsbury:

Fiscal Year Ended June 30,	Tinton Falls School District				Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Local School District	Monmouth Regional School District			Monmouth County	
					Shrewsbury Township	County/Other	Monmouth County		
2004	1.315	0.187	1.517	1.517	0.614	1.501	0.572	4.204	
2005	1.483	0.187	1.670	1.670	0.623	1.580	0.614	4.487	
2006	1.613	0.193	1.806	1.806	0.724	1.760	0.675	4.965	
2007	1.740	0.190	1.930	1.930	0.570	1.915	0.895	5.100	
R 2008	0.655	0.060	0.715	0.715	0.322	0.859	0.265	2.176	
2009	0.612	0.058	0.670	0.670	0.324	0.926	0.266	2.201	
2010	0.606	0.057	0.663	0.663	0.315	1.019	0.267	2.278	
2011	0.588	0.049	0.637	0.637	0.316	1.042	0.255	2.264	
2012	0.701	0.078	0.779	0.779	0.469	1.327	0.264	2.853	
2013	0.699	0.077	0.776	0.776	0.427	1.429	0.313	2.954	

Source: District Records and Municipal Tax Collector

N/A=NOT AVAILABLE

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

b Rates for debt service are based on each year's requirements.

R Revaluation year.

Tinton Falls School District  
Principal Property Taxpayers,

Unaudited

TINTON FALLS BOROUGH

	2012				2003			
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	
TF Campus LLC	\$193,746,400	1	7.03%		\$65,401,900	1	5.91%	
CPG Tinton Falls Urban Renewal, LLC	\$142,895,800	2	5.19%					
Avalonbay Community Inc.	\$29,430,000	3	1.07%					
Stavola Realty Company	\$18,754,700	4	0.68%		\$21,947,900	2	1.98%	
XPD (NJ), LLC	\$15,367,100	5	0.56%					
PRC Tinton Ave. Developers, LLC	\$14,722,500	6	0.53%					
Hovsons, Inc.	\$13,550,000	7	0.49%		\$7,033,100	6	0.64%	
Tinton Pines Construction Co.	\$13,434,500	8	0.49%		\$6,621,100	7	0.60%	
Sudler Monmouth LLC	\$12,029,200	9	0.44%					
Reidhass, LP	\$11,950,000	10	0.43%					
Tinton Telecom Center, LLC					\$12,000,000	3	1.08%	
BT-NEWYO, LLC					\$8,967,500	4	0.81%	
Kapson Tinton Falls Corp.					\$7,905,600	5	0.71%	
Shrewsbury / 35 Associates, LLC					\$6,446,400	8	0.58%	
HPTY Corp. (Marriot)					\$5,880,600	9	0.53%	
Winn Ltd (Holiday Inn)					\$5,800,000	10	0.52%	
	\$465,880,200		16.91%		\$148,004,100		13.36%	

Source: Municipal Tax Assessor

Tinton Falls School District  
Principal Property Taxpayers

Exhibit J-8b

SHREWSBURY TOWNSHIP

	2012				2003			
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	
Alfred Vail Mutual					\$ 13,251,400	1	48.36%	
Shrewsbury Urban Renewal Corp					4,800,000	2	17.52%	
Individual					77,900	3	0.28%	
Individual		N/A			77,900	4	0.28%	
Individual					77,900	5	0.28%	
Individual					77,900	6	0.28%	
Individual					77,900	7	0.28%	
Individual					77,900	8	0.28%	
Individual					77,900	9	0.28%	
Individual					77,900	10	0.28%	
Total	\$ -		0.00%		\$ 18,674,600		68.12%	

Source: Municipal Tax Assessor  
N/A = Not Available



Tinton Falls School District  
Property Tax Levies and Collections,  
Last Ten Fiscal Years

TINTON FALLS BOROUGH

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2004	16,390,264	16,390,264	100.00%	-
2005	17,819,138	17,819,138	100.00%	-
2006	17,584,478	17,584,478	100.00%	-
2007	17,792,345	17,792,345	100.00%	-
2008	18,525,689	18,525,689	100.00%	-
2009	18,815,939	18,815,939	100.00%	-
2010	18,720,023	18,720,023	100.00%	-
2011	19,445,362	19,445,362	100.00%	-
2012	20,203,280	20,203,280	100.00%	-
2013	20,401,832	20,401,832	100.00%	-

Source: District records including the Certificate and Report of School Taxes (A4F form)

a

School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

Tinton Falls School District  
Property Tax Levies and Collections,  
Last Nine Fiscal Years

SHREWSBURY TOWNSHIP

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2005	493,962	493,962	100.00%	-
2006	498,637	498,637	100.00%	-
2007	529,574	529,574	100.00%	-
2008	538,315	538,315	100.00%	-
2009	487,977	487,977	100.00%	-
2010	487,532	487,532	100.00%	-
2011	477,481	477,481	100.00%	-
2012	432,459	432,459	100.00%	-
2013	442,736	442,736	100.00%	-

Source: District records including the Certificate and Report of School Taxes (A4F form)

a

School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		
	General Obligation Bonds <sup>a</sup>	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANS)	Capital Leases	
					Total District	Percentage of Personal Income <sup>a</sup>
						Per Capita <sup>a</sup>
2004	16,799,654	0	136,908	0	16,936,562	968
2005	15,644,447	0	350,202	0	15,994,649	883
2006	14,492,540	0	406,919	0	14,899,459	883
2007	13,337,257	0	292,369	0	13,629,626	762
2008	13,161,107	0	310,214	0	13,471,321	704
2009	11,990,060	0	218,865	0	12,208,925	688
2010	10,816,959	0	128,435	0	10,945,394	617
2011	14,289,380	0	85,480	0	14,374,860	612
2012	12,228,440	0	45,808	0	12,274,248	N/A
2013	10,881,187	0	136,439	0	11,017,626	N/A

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Per Capita <sup>a</sup>
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (GAINS)	Capital Leases	Total District	
2004	428,346	0	136,908	0		565,254	\$ 512
2005	398,553	0	350,202	0		748,755	\$ 679
2006	370,460	0	406,919	0		777,379	\$ 711
2007	335,743	0	292,369	0		628,112	\$ 579
2008	331,893	0	310,214	0		642,107	\$ 597
2009	302,940	0	218,865	0		521,805	\$ 490
2010	265,041	0	128,435	0		394,476	\$ 346
2011	291,620	0	85,480	0		377,100	N/A
2012	249,560	0	45,808	0		295,368	N/A
2013	236,813	0	136,439	0		373,252	N/A

**Note:** Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the calendar year.

Tinton Falls School District  
Ratios of Net General Bonded Debt Outstanding  
Last Ten Calendar Years  
Unaudited

Borough of Tinton Falls:

Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2004	16,799,654.00	-	16,799,654	1.41%	\$ 949
2005	15,644,447.00	-	15,644,447	1.26%	\$ 823
2006	14,492,540.00	-	14,492,540	1.15%	\$ 764
2007	13,337,257.00	-	13,337,257	1.04%	\$ 697
2008	13,161,107.00	-	13,161,107	0.45%	\$ 668
2009	11,990,060.00	-	11,990,060	0.40%	\$ 606
2010	10,816,959.00	-	10,816,959	0.36%	\$ 604
2011	14,289,380.00	-	14,289,380	0.50%	\$ 798
2012	12,228,440.00	-	12,228,440	0.44%	\$ 683
2013	10,881,186.00	-	10,881,186	0.39%	\$ 609

Shrewsbury Township:

Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2004	428,346	-	428,346	1.57%	\$ 389
2005	398,553	-	398,553	1.46%	\$ 364
2006	370,460	-	370,460	1.36%	\$ 341
2007	335,743	-	335,743	1.23%	\$ 312
2008	331,893	-	331,893	0.46%	\$ 311
2009	302,940	-	302,940	0.42%	\$ 284
2010	266,041	-	266,041	0.37%	\$ 233
2011	291,620	-	291,620	0.40%	\$ 256
2012	249,560	-	249,560	0.44%	\$ 219
2013	236,813	-	236,813	0.42%	\$ 208

<sup>a</sup> See Exhibit NJ J-6 for property tax data.

<sup>b</sup> Population data can be found in Exhibit NJ J-14.

Details regarding the district's outstanding debt can be found in the notes to the financial statements.

Note:

Tinton Falls School District  
Direct and Overlapping Governmental Activities Debt  
As of December 31, 2012

Exhibit J-12

<u>Borough of Tinton Falls</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Tinton Falls Borough (Net Debt)	\$ 20,739,269	100.000%	\$ 20,739,269
Monmouth County General Obligation Debt (Net Debt)	459,980,960	2.490%	11,453,526
Monmouth Regional High School	1,785,000	57.000%	1,017,474
Tinton Falls School District Direct Debt	0		0
Authorized but not issued Outstanding	11,323,000	97.87%	11,081,820
<b>Total direct and overlapping debt</b>			<b>\$ 44,292,089</b>

<u>Township of Shrewsbury</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Shrewsbury (Net Debt)	\$ 867,971	100.000%	\$ 867,971
Monmouth County General Obligation Debt	459,980,960	0.045%	206,991
Monmouth Regional High School	1,785,000	1.243%	22,193
Shrewsbury Township School District Direct Debt	0	2.30%	-
Authorized but not issued Outstanding	11,323,000	2.13%	241,708
<b>Total direct and overlapping debt</b>			<b>\$ 1,338,864</b>

**Sources:** Assessed value data used to estimate applicable percentages provided by the Monmouth County Board of Taxation.  
Debt outstanding data provided by each governmental unit annual debt statement.

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

<sup>a</sup> For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

Legal Debt Margin Calculation for Fiscal Year 2012

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	\$ 45,069,294	\$ 53,441,299	\$ 65,566,677	\$ 77,535,619	\$ 88,710,399	\$ 95,234,386	\$ 97,548,534	\$ 97,336,153	\$ 97,336,153	\$ 92,776,495
Total net debt applicable to limit	18,278,000	17,073,000	15,878,000	14,693,000	13,493,000	12,478,000	11,278,000	14,786,000	12,478,000	13,108,000
Legal debt margin	\$ 26,791,294	\$ 36,368,299	\$ 49,688,677	\$ 62,842,619	\$ 75,217,399	\$ 82,756,386	\$ 86,270,534	\$ 82,550,153	\$ 84,858,153	\$ 79,668,495
Total net debt applicable to the limit as a percentage of debt limit	40.56%	31.95%	24.22%	18.95%	15.21%	13.10%	11.56%	15.19%	12.82%	14.13%

Source: Abstract of Ratables and District Records CAFR Schedule J-7

a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

Equalized valuation basis

2012	2,909,623,679	2,848,101,665	60,522,014
2011	3,084,309,523	3,016,250,815	68,058,708
2010	3,283,716,304	3,214,250,429	69,465,875
[A]	\$ 9,277,649,506	\$ 9,079,602,909	\$ 198,046,597
[A/3]	\$ 3,092,549,835	\$ 3,026,534,303	\$ 66,015,532

Average equalized valuation of taxable property

Debt limit (3 % of average equalization value)	[B]	92,776,495	a
Net bonded school debt	[C]	13,108,000	
Legal debt margin	[B-C]	\$ 79,668,495	

**Tinton Falls School District**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**  
**Unaudited**

**Borough of Tinton Falls:**

Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2003	17,356	\$ 749,900,692	43,207	3.8%
2004	17,711	\$ 824,765,848	46,568	3.2%
2005	19,012	\$ 922,196,072	48,506	4.0%
2006	18,958	\$ 975,483,890	51,455	4.1%
2007	19,139	\$ 1,048,836,339	54,801	3.7%
2008	19,703	\$ 1,118,243,765	56,755	4.8%
2009	19,772	\$ 1,062,932,212	54,771	7.9%
2010	17,907	\$ 1,019,893,185	56,955	8.1%
2011	17,911	\$ 1,045,196,405	58,355	8.1%
2012	17,911	N/A	N/A	N/A
2013	17,869	N/A	N/A	N/A

**Shrewsbury Township:**

Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2003	1,104	\$ 47,700,528	43,207	4.8%
2004	1,102	\$ 51,317,936	46,568	4.0%
2005	1,094	\$ 53,065,564	48,506	7.2%
2006	1,085	\$ 55,828,675	51,455	7.2%
2007	1,075	\$ 58,911,075	54,801	6.6%
2008	1,068	\$ 60,614,340	56,755	8.4%
2009	1,065	\$ 58,331,115	54,771	13.5%
2010	1,141	\$ 64,985,655	56,955	13.7%
2011	1,141	N/A	58,355	13.8%
2012	1,141	N/A	N/A	14.3%
2013	1,141	N/A	N/A	N/A

N/A= Not Available

<sup>a</sup> US Bureau of the Census, Population Division

<sup>b</sup> Population times per capita income

<sup>c</sup> Bureau of Economic Analysis April 2012

<sup>d</sup> New Jersey Department of Labor and Workforce Development





**SHREWSBURY TOWNSHIP**

Employer	2012			2003		
	Employees	Rank [Optional]	Percentage of Total Municipal Employment	Employees	Rank [Optional]	Percentage of Total Municipal Employment
			N/A			
	-		0.00%	-		0.00%

N/A= NOT AVAILABLE

Tinton Falls School District  
Full-time Equivalent District Employees by Function/Program,  
Last Ten Fiscal Years

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Instruction										
Regular	97	97	98	105	102	106	99	95	99	100
Special education	26	24	26	34	42	35	37	38	31	31
Other special education	19	22	31	19	38	38	35	31	36	35
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	2	4	6	10	4	4	3	3	4	4.5
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	20	17	18	29	19	20	27	21	23	24.5
General administrative services	5	5	5	6	5	5	5	5	3	3
School administrative services	14	13	13	13	13	13	15	15	14	14
Business administrative services	4	4	4	4	4	4	4	5	5	5
Plant operations and maintenance	17	16	17	16	15	10	6	6	5	5
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Child Care	-	-	-	-	-	-	-	-	-	-
Total	203	202	218	236	242	235	231	219	220	222

Source: District Personnel Records

## BOROUGH OF TINTON FALLS SCHOOL DISTRICT

Operating Statistics  
Last Ten Fiscal Years  
Unaudited

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Elementary School	Middle School	Average Daily Enrollment ©	Average Daily Attendance ©	% Change in Average Daily Enrollment	Student Attendance Percentage
2004	1,726	19,405,468	\$ 11,243.03	-0.79%	140	87.2	33.5	1,725.40	1,649.10	-0.95%	95.58%
2005	1,818	21,658,453	\$ 13,385.94	19.06%	128	91.3	31.2	1,627.20	1,549.40	-5.69%	95.22%
2006	1,594	21,528,798	\$ 13,506.15	0.90%	134	94.0	50.0	1,576.30	1,506.10	-3.13%	95.55%
2007	1,559	21,987,960	\$ 14,103.89	4.43%	150	97	53	1,561.40	1,488.70	-0.95%	95.34%
2008	1,583	23,194,661	\$ 14,652.34	3.89%	159	105	54	1,575.30	1,506.40	0.89%	95.63%
2009	1,632	23,604,953	\$ 14,463.82	-1.29%	159	105	54	1,611.70	1,539.50	2.31%	95.52%
2010	1,585	23,093,165	\$ 14,589.82	0.73%	150	95.8	54.2	1,582.30	1,511.20	-1.82%	95.51%
2011	1,580	24,946,240	\$ 15,788.76	8.37%	145	85	59	1,580.00	1,537.32	-0.15%	97.30%
2012	1,565	23,965,719	\$ 15,313.56	-3.01%	149	98	51	1,554.10	1,487.30	-1.64%	95.70%
2013	1,531	25,340,467	\$ 16,551.58	8.08%	154.25	98.6	55.6	1,521.40	1,449.60	-2.10%	95.28%

Source:

a Operating expenditures equal total expenditures less debt service and capital outlay.

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary.

## BOROUGH OF TINTON FALLS SCHOOL DISTRICT

School Building Information  
Last Ten Fiscal Years  
*Unaudited*

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
District Building										
Elementary										
Mahala F. Atchinson (Year)										
Square Feet	86,950	86,950	86,950	86,950	86,950	86,950	86,950	86,950	86,950	86,950
Capacity (students)										
Enrollment										
Swimming River (Year)										
Square Feet	67,692	67,692	67,692	67,692	67,692	67,692	67,692	67,692	67,692	67,692
Capacity (students)										
Enrollment										
Middle School										
Tinton Falls Middle School (Year)										
Square Feet	84,655	102,255	102,255	102,255	102,255	102,255	102,255	102,255	102,255	102,255
Capacity (students)										
Enrollment										
Other										
Central Administration (Year)										
Square Feet	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Number of Schools at June 30, 2012										
Elementary										
Middle School										
Other										
	241,297	258,897	258,897	258,897	258,897	258,897	258,897	258,897	258,897	258,897

BOROUGH OF TINTON FALLS SCHOOL DISTRICT  
General Fund  
Schedule of Required Maintenance for School Facilities  
Unaudited

UNDISTRIBUTED EXPENDITURES - REQUIRED  
MAINTENANCE FOR SCHOOL FACILITIES  
11-000-261-XXX

School Facilities	Project #'s	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Mahala F. Atchinson	N/A	114,631	132,929	105,152	82,462	100,980	118,075	106,949	113,828	113,355	85,564
Swimming River School	N/A	100,017	93,569	96,051	84,359	113,422	106,642	88,771	88,412	96,393	79,924
Tinton Falls Middle School	N/A	134,828	108,725	100,696	107,060	104,479	100,536	119,234	101,753	90,471	83,661
Administration Building	N/A	9,097	10,052	17,270	35,454	8,915	28,864	8,950	7,893	10,841	3,270
Total School Facilities		358,573	345,275	319,169	309,335	327,796	354,117	323,904	311,886	311,060	252,419

## BOROUGH OF TINTON FALLS SCHOOL DISTRICT

**Insurance Schedule**  
**June 30, 2013**  
**Unaudited**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy -		
Property - Blanket Building & Contents	42,917,553	1,000
Comprehensive General Liability	1M OCC./2M AGG.	
Comprehensive Automobile Liability	1,000,000	
Automobile Physical Damage	1,000,000	500
Comprehensive Crime Coverage	25,000	0
Disappearance, Destruction, Forgery	100,000	
Computers and Schedule Equipment -		
Data Processing-Hardware	935,359	500
Data Processing-Media/Data	55,000	500
Other (Audio Visual)Equip.& Software	199,984	250
Boiler and Machinery - Property Damage	Incl. In Property	100
Umbrella Liability - Umbrella Policy	10,000,000	0
School Board Legal Liability -		
Directors' and Officers' Policy	2,000,000	Each loss 5,000
Public Employee Faithful Performance	100,000	0
Business Administrator Bond	250,000	0
Treasurer Bond	250,000	0
Workers Compensation	Statutory	
Employers Liability	2,000,000	
Supplemental Workers Compensation	52 Week Limit	7 Day
Employee Benefit Liability	1M OCC./3M AGG.	1,000

Source: District Records.

**SINGLE AUDIT SECTION**

# Ferraioli, Wielkott, Cerullo & Cuva, P.A.

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## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable President and  
Members of the Board of Education  
Borough of Tinton Falls School District  
County of Monmouth, New Jersey  
Tinton Falls, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Tinton Falls School District, in the County of Monmouth, New Jersey, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 7, 2013.

### ***Internal Control Over Financial Reporting***

In planning and performing our audit on the financial statements, we considered the Borough of Tinton Falls Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Tinton Falls Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Tinton Falls Board of Education's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.





Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Borough of Tinton Falls Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards or the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

We noted certain matters that were required to be reported to the Board of Education of the Borough of Tinton Falls School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated October 7, 2013.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Paul J. Cuva, C.P.A.  
Licensed Public School Accountant  
No. CS00076600



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants  
Pompton Lakes, New Jersey

October 7, 2013



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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS** **APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL** **CONTROL OVER COMPLIANCE IN ACCORDANCE WITH** **OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04**

The Honorable President and  
Members of the Board of Education  
Borough of Tinton Falls School District  
County of Monmouth, New Jersey  
Tinton Falls, New Jersey

### **Report on Compliance for Each Major Federal and State Program**

We have audited the Board of Education of the Borough of Tinton Falls School District in the County of Monmouth, New Jersey, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Borough of Tinton Falls Board of Education's major federal and state programs for the year ended June 30, 2013. The Borough of Tinton Falls Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Borough of Tinton Falls Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133 and N.J. OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct



and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Tinton Falls Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Borough of Tinton Falls Board of Education's compliance.

### ***Opinion on Each Major Federal and State Program***

In our opinion, the Borough of Tinton Falls Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2013.

### **Report on Internal Control Over Compliance**

Management of the Borough of Tinton Falls Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough of Tinton Falls Board of Education's internal control over compliance with the type of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and N.J. OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Borough of Tinton Falls Board of Education's internal control over compliance.


*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and N.J. OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133**

We have audited the financial statements of the Borough of Tinton Falls Board of Education as of and for the year ended June 30, 2013, and have issued our report there dated October 7, 2013 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and N.J. OMB Circular 04-04 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.



Paul J. Cuva, C.P.A.  
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Certified Public Accountants  
Pompton Lakes, New Jersey

October 7, 2013



BOROUGH OF TINTON FALLS SCHOOL DISTRICT														K-3 SCHEDULE A	
Schedule of Expenditures of Federal Awards															
For the Fiscal Year Ended June 30, 2013															
Federal Grant/Pass-Through Grant/Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2012	Due to Grantor	Cash Received	Budgetary Expenditures	Reimbursement of Prior Years' Balances	Adjustments	(Accounts Receivable)	Deferred Revenue	Due to Grantor	MEMO Cumulative Total Expenditures
				From	To										
U.S. Department of Education															
General Fund:															
Impact Aid	84.041	N/A	95,412	9/1/12	8/31/13			95,412	(95,412)						95,412
								95,412	(95,412)						95,412
U.S. Department of Education															
Passed-through State Department of Education															
Special Revenue Fund:															
Title I	84.010	NCLB518512	111,130	9/1/11	8/31/12	(67,589)		91,643	(23,454)						91,643
Title I, Part A	84.010	NCLB518513	111,130	9/1/12	8/31/13			61,095	(102,576)			(41,521)			102,792
Title II, Part A	84.367	NCLB518512	98,311	9/1/11	8/31/12	(3,755)		21,436	(17,681)						21,436
Title II, Part A	84.367	NCLB518511	25,705	9/1/10	8/31/11	(8,596)		8,596							16,538
Title II, Part A	84.367	NCLB518513	24,715	9/1/12	8/31/13			10,315	(8,467)				1,848		8,467
Title II, Part D	84.318	NCLB518512	21,436	9/1/11	8/31/12	(14,385)		18,181	(7,031)			(3,255)			21,436
Title III, Part A	84.365	NCLB518512	21,436	9/1/11	8/31/12	(1,457)		1,792	(335)						4,396
Title III, Part A	84.365	NCLB518511	10,717	9/1/10	8/31/11	(8)		8							8,716
Title III, Part A	84.365	NCLB518513	6,056	9/1/12	8/31/13			1,214	(5,499)			(4,285)			11,928
IDEA, Part B, Basic Regular	84.027	IDEA518512	488,713	9/1/11	8/31/12	(118,373)		434,362	(315,789)						434,362
IDEA, Part B, Basic Regular	84.027	IDEA518511	598,186	9/1/10	8/31/11	(19,693)		19,693							262,872
IDEA, Part B, Basic Regular	84.027	IDEA518513	473,434	9/1/12	8/31/13			68,074	(192,746)		3,843	(120,809)			192,726
IDEA, Part B, Preschool	84.173	IDEA518512	15,487	9/1/11	8/31/12	(327)		327							327
IDEA, Part B, Preschool	84.173	IDEA518511	19,239	9/1/10	8/31/11	(19,239)		19,239							19,239
IDEA, Part B, Preschool	84.173	IDEA518510	14,830	9/1/12	8/31/13			2,589	(18,781)			(16,192)			18,781
Race To The Top Phase 3 (RTT3)	84.413A			9/1/11	8/31/15				(7,829)						7,829
Total Special Revenue Fund						(253,622)		757,924	(700,188)		3,843	(193,891)	1,948		1,131,845
U.S. Department of Agriculture															
Passed-through State Department of Education															
Child Nutrition Cluster:															
Non-Cash Assistance															
Food Distribution Program	10.555	n/a	26,304	9/1/12	8/31/13			28,019	(26,304)				1,715		23,921
Cash Assistance:															
National School Lunch Program	10.555	n/a	122,355	7/1/12	6/30/13			97,663	(122,355)			(24,692)			122,355
National School Lunch Program	10.555	n/a	118,961	7/1/11	6/30/12	(5,526)		5,526							118,961
Total Enterprise Fund						(5,526)		131,208	(148,659)				1,715		265,237
Total Federal Financial Awards						\$ (259,148)	\$ -	\$ 984,544	\$ (944,259)	\$ -	\$ 3,843	\$ (218,583)	\$ 3,563	\$ -	\$ 1,492,494



**NOTE 1. GENERAL**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance present the activity of all federal and state award activity of the Board of Education, Borough of Tinton Falls School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies is included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 2(C) and 2(D) to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ in amounts presented in or used in the preparation of the basic financial statements.

**NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-42-2.

**NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS: (continued)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$6,233 for the general fund and \$-0- for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$95,412	\$6,290,029	\$6,385,441
Special Revenue Fund	700,188	104,254	804,442
Capital Projects Fund		851,981	851,981
Debt Service Fund		49,382	49,382
Food Service Fund	<u>148,659</u>	<u>4,712</u>	<u>153,371</u>
Total Financial Awards	<u>\$944,259</u>	<u>\$7,300,358</u>	<u>\$8,244,617</u>

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

**NOTE 5. OTHER**

Revenues and expenditures reported under the U.S.D.A. Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2013. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2013.



**BOROUGH OF TINTON FALLS SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

*Section I - Summary of Auditor's Results*

**Financial Statements**

Type of auditor's report issued: unmodified

Internal control over financial reporting:

1. Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes X none reported

2. Material weakness(es) identified? \_\_\_\_\_ yes X no

Noncompliance material to basic financial statements noted? \_\_\_\_\_ yes X no

**Federal Awards**

Internal Control over major programs:

1. Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes X none reported

2. Material weakness(es) identified? \_\_\_\_\_ yes X no

Type of auditor's report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? \_\_\_\_\_ yes X no

Identification of major programs:

<b><u>CFDA Number(s)</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
<u>84.027</u>	<u>I.D.E.A. Part B Basic</u>
<u>84.173</u>	<u>I.D.E.A. Part B Pre-School</u>

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? X yes \_\_\_\_\_ no

**BOROUGH OF TINTON FALLS SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(continued)**

## Section I - Summary of Auditor's Results, (continued)

## State Awards

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee?     X     yes      no

Type of auditor's report issued on compliance for major programs: unmodified

Internal Control over major programs:

1. Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes        X   none reported

2. Material weakness(es) identified? \_\_\_\_\_ yes        X   no

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04? \_\_\_\_\_ yes \_\_\_\_\_ X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
	<b>Cluster: State Aid - Public</b>
<u>13-495-034-5120-084</u>	<u>(A) Security Aid</u>
<u>13-495-034-5120-089</u>	<u>(A) Special Education Categorical Aid</u>
<u>13-495-034-5120-085</u>	<u>(A) Adjustment Aid</u>
<u>13-495-034-5120-014</u>	<u>(A) Transportation Aid</u>
<u>13-495-034-5120-044</u>	<u>(A) Extraordinary Aid</u>
<u>13-495-034-5095-002</u>	<u>(A) Reimbursed TPAF Social Security Contributions</u>
<u>5180-030-10-1001/5185-050-10-1002/</u> <u>5185-050-10-1005/5185-070-10-1003</u>	<u>SDA School Facilities Projects</u>

Note: (A) - Tested as major program.

**BOROUGH OF TINTON FALLS SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(continued)**

*Section II - Financial Statement Findings*

None

*Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs*

No matters were reported.

**BOROUGH OF TINTON FALLS SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**Status of Prior Year Findings**

There were no prior year audit findings.